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# U.S.A. 2012: After the Middle-Class Revolution

Kenneth M. Dolbeare and Janette Kay Hubbell

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We ordain and establish today a new Declaration of Independence such that this nation, under God, shall have a new birth of freedom and responsibility, and government of the people, by the people, and for the people shall bring the United States to new greatness in the twenty-first century.

We declare our independence:

From the political party system that separates representatives from their constituents and frees them to do whatever their ideologies and campaign contributors dictate

From domination by the corporations, banks, and wealthy who together control the institutions of our national government and our capital city of Washington, D.C.

From the television and print media, whose group-think, pandering, and search for scandals have done so much to eliminate principled discussion of issues from our politics

From the other special interests, whether foreign governments or organized self-interested Americans, who do not give priority to the long-term needs for the children and grandchildren of today's Americans

From the bureaucracy, of whatever level, which asserts priority for its own personal convenience and arcane rules rather than the needs of the citizens of the country.

Our new beginning anticipates an American century in which the equal rights of all will be realized according to individual talent and effort, within the framework provided by our jointly decided social needs and purposes. We dedicate ourselves to environmentally sustainable economic growth, a peaceful and secure social life, and the challenge of making democracy a reality. This is the future—and the only future—that our inheritance demands we leave to our children.

To these ends, we commit our lives, our fortunes, and our sacred honor. We do so in all humility and to keep faith with our God, our forebears of two centuries ago, and our unborn generations.

\* \* \*

Written from the perspective of a college student in 2012, this is a provocative and credible vision of how a determined middle class accomplished major reforms in the American political system. Highlights include a New Declaration of Independence (excerpted above), populist constitutional changes, sweeping reforms in the representative system, and an economic nationalist program, all of which generate new hope for the American future.

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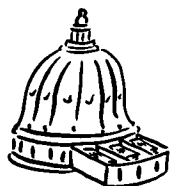
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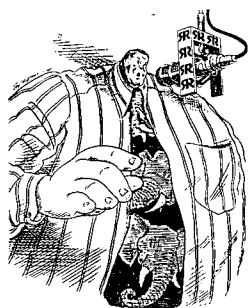
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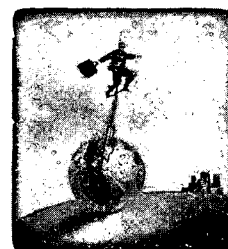
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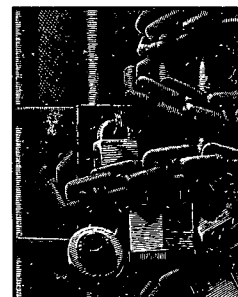
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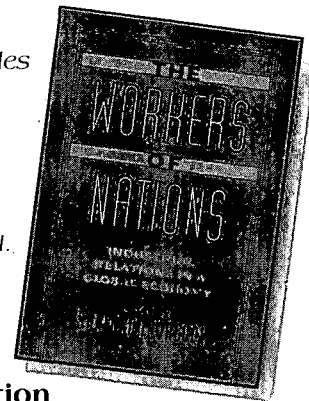
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**A**s we begin our seventh year of publication, *The American Prospect* is now a bimonthly. We are holding our present subscription prices, and lowering the cover price to \$4.95. We thank the John D. and Catherine T. MacArthur Foundation for making possible this increased frequency.

Anxiety about the economy has been the theme of the early Republican primaries. Yet the debate ignores the institution most responsible for slack—the Federal Reserve. In our cover story, Lester Thurow shows that the Fed keeps unemployment much higher than is officially measured or generally realized. A companion article by James K. Galbraith exposes the futility of other complimentary policies if macroeconomics is off the table, as it is today.

Another leading theme this year is culture. Tom DeVries explores why right-wing talk rules the radio waves; Paul Safier dissects the strange coupling of frat-boy humor and old-time piety on the right; and Paul Starr shows what's wrong with the new conservative claims to moral ascendancy.

Finally, money not only talks in American politics; it also helps keep some things all too quiet—as Robert Dreyfuss shows in his report on the “black budget,” and Samantha Sanchez reveals in her deconstruction of the misnamed “wise use” movement of the American West.

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PAUL STARR

## Restoration Fever

Most of us like to think that our views represent the innermost beliefs of the majority of our fellow citizens. Recent polls may show a ridiculous preference for a position we despise, our candidates may lose at election time, and the radio may broadcast music or talk that we abhor. But we know that all this is ephemeral: Deep in their hearts, the majority agree with us about what is right and good. And if they don't say so or act accordingly just now, the trend is moving in our direction. Let those who think differently tremble at the verdict of an awakened nation.

Cultural conservatives have waited for a national awakening for at least 30 years, even longer. Through most of this century, Americans have become steadily more tolerant of practices that once met general opprobrium. Unmarried couples now live together unashamedly, divorce is easier and more common, and contraception and abortion have become legal and accepted. As censorship has effectively disappeared, the explicit portrayal of sex has become routine in print and on screen. Women claim roles once exclusively reserved to men; gays are out of the closet. In the eyes of cultural conservatives, these developments count as moral decadence of Roman proportions. They are certain that if not for the malign influence of liberal elites, America would recognize its liberal errors and return to traditional values.

And now the restoration may be near: so conservatives have been saying in the wake of the 1994 election, the growing power of the Christian right, and the recent popularity of radio shows, books, and movies with conservative themes. Some conservative intellectuals have even begun to see signs of a return to traditionalism in private behavior as well as public life. Charles Murray makes this case in an interesting essay, "The Partial Restoration of Traditional Society," in last fall's issue of the *Public Interest*. Though he is pessimistic about the under-

class, Murray thinks the rest of America is about to witness "the restoration of a culture in which family, parenthood, the life of the mind, morality, and the virtues are all perceived and valued in ways that our grandparents would find familiar." In agreement with Irving Kristol, he discerns the beginnings of a great religious revival that will sweep through all classes. The sales of William Bennett's *Book of Virtues* are "just a harbinger of wonderful things to come." Waxing rhapsodic, Murray even anticipates that the "concepts of 'gentleman' and 'lady'" will "once again become governing norms for behavior in parts of American society."

Since I am in favor of virtue, morality, family, and the life of the mind, not to mention good manners, I wouldn't mind a "partial restoration" as long as I could choose which part. I have even tried reading passages of *The Book of Virtues* to my four children and can report highly satisfactory results, though I cannot yet vouch that the concepts of "gentleman" and "lady" will govern their behavior, especially that of my eight-year-old boy, who nearly fled the dinner table while we read George Washington's 54 "Rules of Civility." Bennett's ten virtues are self-discipline, compassion, responsibility, friendship, work, courage, perseverance, honesty, loyalty, and faith. I approve of each one (though I miss wisdom and justice, which were on Aristotle's list). However much conservatives may suspect it, I do not know of liberals who endorse indiscipline, insensitivity, irresponsibility, hatred, sloth, cowardice, vacillation, lying, disloyalty, and despair. Bennett himself writes in the introduction, to my immense relief, that "good people can be liberals," so I am not sure what *The Book of Virtue's* ascent on the best-seller list signals about the Zeitgeist, although an increase in hypocrisy is never a bad bet. In any event, as I write, the number one best-seller is *Rush Limbaugh is a Big Fat Idiot*, by Al Franken, followed by *It Takes a Village*, by Hillary Clinton. There goes one trend.

Murray's other evidence for an incipient restoration turns out to be equally tenuous. He says that the trendlines have lately changed direction but he cites almost no data that show a trend. He is particularly struck, for example, by the findings published last year in *The Social Organization of Sexuality*, by Edward O. Laumann, John Gagnon, and their colleagues, that the average woman has just two sex partners in her lifetime, fewer than 3

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percent of adults are homosexual, and fidelity is, in Murray's charming phrase, "rampant and rewarded." But the authors of this study do not say their findings demonstrate a trend; they contend that the earlier, higher estimates of infidelity and homosexuality in the Kinsey Report and elsewhere were the product of poor research methods. Indeed, the new findings could easily be read as showing that liberal policies and attitudes toward sex and marriage have not ruined America's morals even according to conservative precepts. (Is this why Jesse Helms cannily opposed funding the study?) Murray's comment on the new sex survey is that Americans' private behavior seems "oddly healthy." Well, yes: Right-wing claims of America's cultural decay seem to have been oddly wrong.

Of course, sexual behavior has clearly changed since the 1960s among one group—the young. As Jane Mauldon and Kristin Luker reported in these pages ("Does Liberalism Cause Sex?" Winter 1996), the percentage of unmarried women having sex by age 20 nearly doubled from just below 40 percent in 1963 to nearly 80 percent by 1987. But it may be mistaken to trace this shift primarily to changes in moral beliefs and therefore to expect that a moral restoration would alter it. After 1960, the average age of a first marriage rose by four years; as a result, sexually mature young adults are now single 50 percent longer. (Cohabiting couples, many of whom later marry, account for much of the increase in premarital sex and out-of-wedlock births.) If they continue to delay getting married in part because young men are not confident they can support a family, conservatives will continue to be asking for a lot more abstinence than Grandma practiced. In other words, if it's the rate of premarital sex and illegitimacy that bothers you, by all means exhort young adults to be chaste—but while you're at it, do something about their jobs and wages.

#### A RESTORATION OR A PLATEAU?

Evidence of a conservative restoration is hard to find in recent data. In 1993, the last year for which data are available, the marriage rate hit a 30-year low. According to a recent report from the National Center for Health Statistics, "The rate of women and men marrying for the first time is approximately 40 percent lower than in 1970." That doesn't look like even a partial restoration. After rising sharply between 1966 and 1979,

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divorce rates fell in the 1980s and have now leveled off at nearly twice the rate of 30 years ago. In 1993 teen pregnancies and births were down slightly from a peak in 1991 and the rate of out-of-wedlock births has stabilized (at about 30 percent of total births). The cause of the falling teen pregnancy rate, however, is most likely not a return to abstinence, but rather a continuation of the trend toward earlier, more reliable use of contraception that Mauldon and Luker identified.

In the decades after World War II, surveys of moral belief on such issues as abortion and homosexuality showed a significant rise in liberal sentiment through the mid-seventies, then a leveling off on what one analyst of these trends, Tom W. Smith, calls America's "liberal plateau." The biggest post-war liberal shifts, according to Smith's data, were on abortion, race, feminism, and family; the one notable exception, turning markedly more conservative, was opinion about crime. (On social welfare and taxing and spending, there was also a smaller conservative trend.) Recent surveys of moral beliefs don't show an incipient restoration; on abortion Americans have actually continued to become more liberal.

Recent surveys of sexual behavior, moral beliefs, and religious observance show no evidence of an incipient conservative restoration.

To be sure, many people have the experience of becoming more traditional as they grow older. About 70 percent of Americans 30 to 49 years old (roughly the baby boom generation) are married, and two-thirds of married boomers now have children under 18. After a "liberal" young

adulthood in the 1960s and 1970s, many now live a more domestic, "conservative" life in middle age and some project this experience onto the canvas of the whole society. But this generational change might be thought of as a cultural correction, comparable to a stock-market correction after a big run-up in prices, and it seems to have been offset by other changes; the overall pattern of popular moral

sentiment has been stable since the mid-seventies.

For example, if there is a religious awakening in the making, it has yet to show up in reports of church attendance or religious beliefs. Since 1939 Gallup has asked Americans whether they attended church or synagogue in the previous seven days; for more than half a century, with remarkable consistency, about 40 percent of Americans have said they had. In Gallup's last published poll, for December 1994, the figure happened to be 38 percent, somewhat below average. Gallup also asks people whether religion is very important in their lives. The proportion who say "very important" dropped from 70 percent in 1965 to 55 percent in the 1980s and has since risen back up to 60 percent. In his analysis of participation ("The Strange Disappearance of Civic America," *TAP*, Winter 1996), Robert Putnam finds a continuing decline in membership in religious as in other associations.

Nor does the evidence suggest a marked shift to religious conservatism. My Princeton colleague Robert Wuthnow directed three surveys of religious conservatism and liberalism conducted by Gallup in 1984, 1989, and 1992. In an article in *Sociological Quarterly* this spring, Wuthnow concludes there has been a basically stable pattern: 20 to 25 percent of Americans describe themselves as religious conservatives, 40 to 45 as religious moderates, and 20 to 25 percent as religious liberals (with fewer than 10 percent refusing to characterize themselves in these terms).

Commentators periodically rediscover that Americans are more religious than the people of most other advanced societies, but this does not mean we are verging on a great revival. Religious enthusiasm threatens the boundaries that enable people of different persuasions to live together, and Americans do not want quarrels of faith to wreck the community we have made together. The liberal determination to keep church and state separate does not interfere with religiosity; it protects it. Imagine if we had an official state church in America. People would have as much faith in it as they do the Congress.

The appeal of religious and cultural conservatism is limited, curiously enough, by the same distrust of government that checks social democracy in America. The "liberal revolution" in the post-World War II decades took the state out of private life, and there isn't much constituency for bringing

that kind of state back in. As a practical matter, conservatives wouldn't know how to bring about a restoration of "family values" anyway. Consider recent conservative proposals to discourage divorce by restoring the conception of fault. Under legislation introduced in Michigan and endorsed by Republican Governor John Engler, divorce would again require proof of marital wrongdoing (adultery, desertion, physical or mental abuse, alcohol or drug problems) if one spouse objected. The sponsors hope this measure would keep more people married, but by making divorce more difficult, it might discourage marriage, particularly by cohabiting couples. No one knows what the net effect will be, although I suspect this is a plot to get those "angry white males" to vote Democratic again.

### BOTH/AND SOLUTIONS

A more qualified case that Americans are ready for a moral restoration comes from Ben Wattenberg in his recent book, *Values Matter Most*. Clinton succeeded in 1992, Wattenberg argues, not because of "the economy, stupid," but because he talked about a return to traditional values summed up in the phrase, "No more something for nothing"; as president, however, he failed to follow through on his promises and in 1996 the winner will again be the candidate who responds most credibly to Americans' concerns about values.

Whether economic or moral issues "matter most" is a futile debate, like arguing whether white or black matters most in picking out a zebra. Candidates and parties have to address both economic and social anxieties, and as John Judis and Ruy Teixeira have separately argued, Americans' concerns are inextricably both material and moral: Our standard of living depends on the safety of our neighborhoods as well as our wages. Young men must be responsible fathers, but their wages and job prospects will affect their willingness and ability to support a family.

The more sensible part of Wattenberg's book revolves around his idiosyncratic division of values issues into two categories: *cultural* issues such as homosexuality and abortion about which, he says, there is no consensus; and *social* issues—notably crime, welfare, educational discipline, and affirmative action—about which, he says, there is a consensus. Wattenberg brushes the cultural issues aside (a bit too easily for those who legitimately care about

them) but claims that, on the social issues, government caused the problem, and government can fix it. His answer is to return to no-more-something-for-nothing principles: punishment for crime; work requirements and benefit limits for welfare; standards and discipline for education; individual merit instead of group preferences.

I don't doubt that on these four social issues, Wattenberg is basically right about public opinion. (As Smith's work shows, there never was a liberal shift on crime or

welfare.) These are the issues on which many liberals feel most conservative: I certainly agree that crime should be punished, reciprocity is an appropriate principle for social welfare, education is impossible without discipline, and individual merit ought to be the principal basis for making decisions about college admissions, jobs, and other positions.

But while upholding those values, most Americans—not just liberals—also believe in other principles, and that's where things get complicated. Crime should be punished, but we also want to prevent it. People ought to earn a living, but most of us are unwilling to abandon children and others in need who can't fend for themselves. While Americans generally disapprove of racial preferences, our views of affirmative action get murkier in specific cases, such as hiring police officers for inner-city neighborhoods.

Out of this complexity has emerged an approach to these issues that might be described as "both/and." Clinton's response fits that description. The Clinton 1994 crime legislation called for *both* more police and stiffer sentences *and* more funds for crime prevention. (The slogan on crime of British Labor leader Tony Blair, "Tough on crime, tough on the causes of crime," perfectly expresses both/and thinking.) Similarly, Clinton's approach to welfare calls for *both* time limits *and*

Whether economic or moral issues "matter most" is a futile debate, like arguing whether white or black matters most in picking out a zebra.

more funds for child care and job training, as well as an expanded earned income tax credit, higher minimum wage, and health insurance. In education, Clinton supports national standards and stricter discipline—in his latest State of the Union address, he pointedly signaled his approval of school uniforms—and expanded student loans, apprenticeships, and other forms of assistance. He has agreed *both* to tailor affirmative action more carefully *and* to maintain it until discrimination has truly disappeared.

Duplicity and waffling, say the critics who want either/or. But while both/and can be a dodge and a self-contradiction, these policies are neither. Wisdom and justice, those virtues Bennett left for his sequel, often require composite solutions. The difficulty has been fiscal and political: Both/and would have been a lot easier to carry off at a time when the federal budget wasn't so tight and when the president himself hadn't accepted the aim of zeroing out the deficit. Even "carve and spend," the Clinton administration's early both/and budgetary strategy, has almost vanished because the carvings are to go mostly to deficit reduction, not to education and training, research, infrastructure, and universal health coverage as Clinton originally envisioned. Wattenberg says that in Democratic administrations, the center gets rolled by the left, but the progressive side of both/and policies has gotten no money—and with a Republican Congress, there will be none.

Left with get-tough policies alone, liberals balk and rightfully so. These policies carry tremendous uncertainties and risks. Much of the concern about welfare originates from the rise in out-of-wedlock births, but as Gregory Acs of the Urban Institute has concluded in a recent review of the evidence, welfare isn't the cause: Welfare benefits and out-of-wedlock births aren't strongly correlated over time or among states. Suppose Aid to Families with Dependent Children is cut off entirely and we have a 25 percent drop in births among unmarried women who would otherwise receive welfare (roughly three-fifths of all unmarried mothers). The overall out-of-wedlock rate might fall from 30 percent to 26 percent, but then thousands of women and children would be on the streets. It would be nice to think that time limits on

benefits will finally oblige women on welfare to work, as if incentives were the whole problem. But if in the best times we continue to run 5 or 6 percent unemployment, who realistically will be the last to be hired? The welfare debate proceeds as if the Federal Reserve didn't raise interest rates the moment joblessness fell near the point where the least employable would be hired.

The same questions about effectiveness plague get-tough policies on crime. Three-strikes laws may be overwhelmingly popular, but when broadly drawn, like California's, they will likely clog future prisons with aging inmates, without much reducing violence, which is chiefly committed by young men. How high a rate of imprisonment would be enough? The economist Richard Freeman points out that we lock up 2 percent of the adult male workforce (7 percent of black men over age 18), which is

already many times larger than in Europe; Britain, for example, incarcerates only 0.3 percent of its workforce. A new study from California reports that on any given day, 40 percent of black men in their twenties in the state are in prison or on probation or parole, thanks in part to arrests for crack cocaine. No doubt, as Wattenberg says, "A thug in prison can't mug your sister." But if thugs they are and will always be, we should never let them out. In the meantime, money spent on prisons isn't spent on schools; prisoners can't support their families; and afterward they will have difficulty overcoming the stigma of prison to get legitimate employment. There are, in other words, direct and indirect costs that ought to give us pause about relying exclusively on imprisonment to control crime. Thus both/and.

**I**n any event, the effectiveness of policy isn't Wattenberg's concern, nor is it chiefly what preoccupies a lot of other conservatives. They want moral reaffirmation. They want what the conservative historian Gertrude Himmelfarb calls the "remoralization" of society, by which she means the restoration of Victorian standards of virtue and shame. Himmelfarb is unhappy even with the contemporary moral language, with its shift from "virtues" to "values," because "values" implies

Why never  
a murmur of  
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financial worlds?



diverse orientations and thereby, in her mind, makes morality a matter of merely subjective choice. But contemporary pedagogy and culture, except in some of their silliest forms, are not neutral about moral conduct—not about lying, laziness, irresponsibility, or hatred. What they do recognize is the legitimate demand of different people for equal respect in a society where diversity is not a slogan but a fact. The old homilies can't just be handed down, certainly not in the didactic style that conservatives favor, without critical reflection and debate.

The liberal objection to Himmelfarb is not, as she seems to think, that our culture should be "value-free," but that she and other conservatives apply their moral strictures so selectively. Why never a murmur of disapproval about the values of the corporate and financial worlds? We could stand some remoralization at the top—a renewed sense of responsibility and even of shame in a financial world that reveres one purpose above all, maximizing return to shareholders. ("Please leave your values at the front desk," allegedly a sign for English-speaking guests at a Japanese hotel, is more or less the message of the financial world to business.) Wall Street's hero today is the CEO who courageously downsizes and transplants operations abroad, oblivious to the consequences for other stakeholders, such as workers and communities. Albert J. Dunlap, for example, has recently been lionized for his quick, massive downsizing and liquidation of Scott Paper, which especially struck older employees. According to *Business Week*, while Dunlap toured a plant, one worker proudly told him he had worked for Scott for 30 years. "Why would you stay with a company for 30 years?" Dunlap responded, apparently not having read the chapter on loyalty in *The Book of Virtues*. (Note to Bill Bennett: send loyalty chapter to owner of Cleveland Browns.)

If conservative mobilization leads, via Patrick Buchanan, to a new moral discussion of corporate conduct, it will not be the first time Victorian values served progressive ends. A big progressive revival, like a conservative religious awakening, is unlikely. But a debate about remoralization could at least open up discussion about the values represented in the economy, particularly whether we should have a "shareholder" capitalism or a "stakeholder" capitalism. And with that prospect, I feel partially restored already. □

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## FLAT FOOTED

It wasn't all that long ago that the nation was chuckling over Jerry Brown, his 800 number, and his 19 percent flat tax. But this time around, the Republican presidential candidates proposing similar plans seemed to win respectful attention. Supposedly, the idea commanded broad popular support. As proof, the right touted an article published in *Reader's Digest* (Rachel Wildavsky, "How Fair Are Our Taxes?" February 1996) citing an extensive October 1995 poll. Based on the poll, Steve Forbes, Phil Gramm, the *Wall Street Journal* editorial page, and company contended that all income groups backed a flat tax.

The *Reader's Digest's* summary of the poll conveniently left out a few things. It reported that the people surveyed thought that 20 percent was a fair tax rate for everyone, regardless of income. But a look at the full text of the poll, conducted by Everett C. Ladd of the Roper Center for Public Opinion Research at the University of Connecticut, revealed that when questioned more extensively, people had a more complex view. In fact, when asked to name a fair tax on incomes of

\$200,000, the median response was 25 percent. When questioned about fair taxes on incomes of \$25,000, \$50,000, and \$100,000, the median answers were 10 percent, 17 percent, and 20 percent, respectively. That sure *sounds* like a progressive tax.

Furthermore, three highly respected pollsters (all of whom conducted their polls in mid-January 1996) discovered that Americans had significantly different attitudes towards "tax fairness" than those reported in *Reader's Digest*. Seventy-four percent of the respondents to the *Time/CNN* poll opposed a flat tax of 23 percent, and less than half favored any flat tax. The *Wall Street*

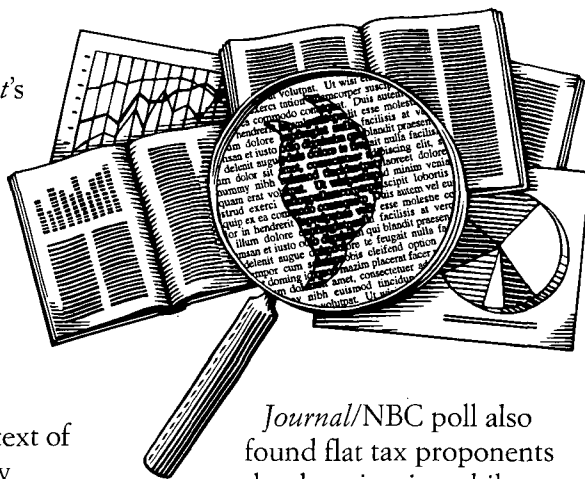
reality has a way of catching up with people who misuse polling data. The two Republican presidential hopefuls most closely identified with the flat tax, Phil Gramm and Steve Forbes, soon discovered that their campaigns were, well, flattened.

## COMPROMISING POSITIONS

The National Governors Association's bipartisan plan to end the budget stalemate seemingly offered a splendid hybrid—just enough of an entitlement for the Democrats, but with the flexibility of a Republican block grant. President Clinton said of the proposal's welfare component,

"I applaud the work [the governors] have done, in a bipartisan fashion, on welfare reform." Apparently, the president neglected to analyze the details of the plan, which includes a provision that would turn AFDC funds into an all-too-ordinary block grant quite like the one in H.R. 4, the congressional welfare bill that the president vetoed in January—in large part because of his strong opposition to ending the AFDC entitlement.

The governors glossed over the distinction between entitlements and block grants, but no one else should. Turning AFDC into a block grant means that eligible low-income



*Journal/NBC* poll also found flat tax proponents to be the minority, while only 27 percent of those surveyed by the *CBS/New York Times* pollsters liked the idea.

Polls are sometimes used to find out what people really think. At other times, they are artfully contrived to justify a candidate's own position. But

families are no longer guaranteed assistance. In fact, under the block grant system, states have no duty even to accept applications for assistance. States can choose to exclude certain categories of people from receiving aid (unwed or teenage mothers, for example) and refuse to provide hearings to people they deny aid to. Even worse, block grant status would erase almost 30 years of case law surrounding AFDC, leaving no precedent for any questions of due process that arise under the block grant system.

While it provides more federal money, the so-called compromise is in some ways harsher than the vetoed bill—including an additional \$4 billion cut in food stamp aid. You wonder why Governor, er, President Clinton would support such a thing.

## NEW YORK CHEESECAKE

Maybe *George* needed a scantily clad Cindy Crawford on the cover of its premier issue to boost sales, but one would think that the esteemed *New York Times* would require no such ploys. Yet the February 4th cover of the *New York Times Magazine* featured a large, full-color, kittenish photo of 16-year-old model James King (a girl). Inside, there were several more photographs, 14 to be exact, accompanying an article be-

moaning James's lost childhood and a society that exploits young girls. ("Teenage models simulate an adulthood they've yet to experience for women who crave a youthful beauty they'll never achieve. Sweet 16 it's not," reads



the table of contents blurb.) "All she's lost is her youth," bemoans the cover line.

The article neglects to suggest a solution to the beauty obsession behind the multibillion-dollar modeling industry. Perhaps they were too busy choosing the perfect cover shot?

We hereby suggest a new word to *New York Times* language maven William Safire: **pruritanism**—a hypocritical blend of puritanical clucking and prurient appeal. One might define it as exploiting a trend in the course of condemning it. (*Time* and *Newsweek* are among other malefactors.)

Readers are invited to supply other examples (this page not included!).

## BLURT OF THE MONTH:

When Oregon voters chose a liberal Democrat, Ron Wyden, to fill Bob Packwood's old Senate seat, the *Boston Globe's* conservative columnist Jeff Jacoby took great offense at the (successful) effort to increase voter turnout via mail-in ballots. "By now we have so degraded the franchise that the vote of an illiterate, unemployed, unstable high-school drop-out is deemed no less valuable than that of the president of Columbia," Jacoby wrote. Working himself into a real rage of indignation, he added, "Turning Election Day into a dumbed-down mass mailing operated by the Post Office would only accelerate the rusting of American democracy."

American what? Is too much democracy the problem here? We always suspected that the right, at heart, was deeply uncomfortable with the concept of one person, one vote. But we've never seen the sentiment confirmed quite so baldly. One can imagine Jacoby typing in "president of Harvard," and then deciding not to give those Cambridge liberals the satisfaction.

—Robyn Gearey

ROBERT KUTTNER

# Get Me Rewrite

A very long time ago, when I was the manager of a listener-supported radio station, we were planning our annual on-air fundraising drive. "The only thing we have to sell," one staffer said earnestly, "is our integrity." A wise guy replied, "What do you think we can get for it?" Thanks to the poisonous blend of talk shows, lecture fees, and an absence of conflict-of-interest standards, too many of today's celebrity journalists seem to have taken this ironic advice literally.

Last Christmas week I made my debut on CNN's *Crossfire*, debating the budget. My conservative opposite number was Grover Norquist of the Americans for Tax Reform. I am generally dubious about food-fight TV, but I thought this a worthwhile debate. I also, I am ashamed to admit, thought it good publicity for *The American Prospect*

(1-800-872-0162, only 25 dollars a year). The producer was eager to fly me to Washington to be live in the studio. I decided that was more trouble than it was worth, so I bargained hard: If they wanted me, they'd have to take me remote from Boston. The producer reluctantly agreed. As it happened, Norquist was also in Boston for Christmas, about to drive his car back to Washington, where he lives. But the format did not allow two of us in a Boston studio. So the eager

Norquist agreed to fly to Washington for the show, then fly back to Boston, and then drive his car home to Washington.

Evidently, some people are more desperate to be on television than others. But for weeks afterward, friends, colleagues, family, even total strangers kept mentioning that they'd seen me on TV. For most, the significant thing was simply the fact that I'd been on TV. A couple said they thought I'd won the debate (which was predictably shallow and mainly about scoring points). No one mentioned much of the substance of the issue.



I have long thought that television is ruining journalism. There is a real paradox here, for at its best TV documentary can be superb. And radio at its best, such as National Public Radio's *All Things Considered*, can be more compelling and infor-

mative than print. The problem is ordinary television—day-to-day news, Sunday talk shows, info-tainment, and above all the conflict format epitomized by shows like *Crossfire*. The real culprit, I suspect, is less television itself than the logic of commercial television coupled with the role of the individual television journalist as entrepreneur.

I once was briefly a regular on a now-defunct weekly panel show titled *Money Politics*. The host was Jim Glassman, then the publisher of *Roll Call*, now a *Washington Post* columnist. The show couldn't quite decide whether it was reasonably serious, or

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whether it was all just a giggle. To close the show, each of us was supposed to offer a prediction on some current issue: Would the Fed raise interest rates? Would the stock market go up? Would NAFTA pass? The trick was to see who could be the most outrageous. The show had some of the country's most thoughtful financial and economics journalists, but the premise was plainly idiotic. It was, or should have been, embarrassing.

On the air, we argued fiercely, playing our appointed roles as designated liberal or designated conservative. Afterward, they brought out beer and sandwiches, and panelists joshed each other as if it were all good fun. The producers seemed to have utter contempt for both the subject and for the audience. The ethic was not to take any of it too seriously. After all, it was only showbiz. After four or five shows, I quit. It struck me that the off-air chumminess and the on-air viciousness had it exactly backwards. Better to seriously engage issues on the air, but with civility, and to avoid too much fraternization with the other side in private.

Both *Crossfire* and *Money Politics* were produced from Washington, as are the Sunday talk shows, *Washington Week in Review*, the *Capital Gang*, *McLaughlin*, and so on. If you are not Washington based, or willing to grab the next plane, you don't exist. The talk shows draw on the same narrow circle, who are often part of the same social set. A great many people who are true experts on a wide range of issues happen not to live in Washington. They are often more likely to shed genuine light on a complex subject, precisely because they are not consumed by the day-to-day buzz. But despite the piling-on by Washington-based pundits about the isolation of the self-important world inside the Beltway, they themselves are a central part of the Washington echo chamber. So Washington-based journalism over-covers Washington, and undervalues the rest of the country, both as a subject worthy of attention and as a source of expertise. And the rest of the country, though it keeps watching, catches the general cynicism about both journalism and politics.

Over the years, I have kept a private mental catalogue of how television's entertainment values are ruining journalism. The most influential journalists are those who are certified celebrities because they appear frequently on television. The more they appear on television, the more they reap hand-

some lecture fees because of their celebrity value. The more they live for the celebrity, the less they practice or value their craft. The more time they spend on the talk show and lecture circuit, the less time they have to be reporters and the less they know about what they are supposedly reporting. The less they know about how ordinary people live, the more they identify with the financial elite they have become part of. And the more that TV celebrity becomes identified with success in journalism, the more such people become unfortunate role models for the next generation.

James Fallows has parsed out the dynamics and implications of these trends in his recent book, *Breaking the News*. The book is so good, and so disheartening, that one wants to quote every line. Fallows observes that "The best-known and best-paid people in journalism now set an example that erodes the quality of the news we receive and threatens journalism's claim on public respect." It isn't mainly television that is the object of Fallows's critique. But it is fair to say that television seems the prime culprit because TV's entertainment and marketplace values have radiated outward and infected print journalism. *People* magazine and *USA Today* very self-consciously emulated the short attention span and peppy, superficial format characteristic of television. That was damaging enough. Worse, TV increasingly makes celebrities of print reporters, and in the process undermines their integrity as reporters. Thus, the process is a perfect self-negation. The more one is certified as a distinguished reporter by television, the more one is likely to be a disgrace to the profession.

Reporters, of course, have always been damned as a cynical lot. But once you had the sense that they were reluctant cynics who were at heart idealists. They kept shining a light on the grubby corners of politics and commerce, looking for the proverbial honest man; and honest men were disappointingly too few. Today, journalism displays a deeper cynicism. Journalists project the sense that public affairs matters mainly for its spectacle value, and that their own craft is useful principally for its sideshows and sidelines. (Disclosure: I do a small number of paid lectures, mostly to academic and civic audiences.)

Fallows correctly sheds new light on the com-

mon complaint that the media are "too liberal." Elite liberals, he reports, are indeed more "culturally" liberal than the average American—they are less likely to go to church, more likely to support gun control, oppose the death penalty, be tolerant of ethnic and sexual minorities, civil liberties, and abortion rights. But, Fallows writes, "On economic issues—taxes, welfare, deficit control, trade policy, attitudes toward labor unions—elite reporters' views have become far more conservative over the last generation as their incomes have gone up."

One of the consequences of the degeneration of journalism into celebrity is that the most renowned journalists are those who literally know the least about the subject. To cover themselves—and to be entertaining—celebrity journalists (and their emulators) find it far easier to cover the politics of an issue, which can be done via breezy one-liners, rather than the substance, which may require some knowledge. "Instead of talking about Bosnia," Fallows observes, "you can talk about whether Bob Dole will criticize Bill Clinton over Bosnia. Instead of talking about the real situation of Medicare, you can talk about whether the Republicans have gone too far in scaring old people about Medicare."

Howard Kurtz, in *Hot Air: All Talk, All the Time*, notes how serious journalists like *Newsweek's* Eleanor Clift, a regular on the *McLaughlin Group*, degenerate into cartoon figures by going along with the roles prescribed for them by *McLaughlin's* buffoonery. Fallows, covering the same ground, quotes regulars Morton Kondracke and Fred Barnes defending the show on the ground that nobody takes it seriously. But that, as Fallows observes, is precisely what's wrong with the genre: "The message is: We don't respect what we're doing. Why should anyone else?"

Fallows comes closest to identifying the real culprit when he fingers the marketplace and its norms crowding out journalistic norms. It is one thing for publishers to need to sell newspapers, and for broadcasters and publishers alike to need to sell advertising. This uneasy coexistence of journalism and commerce has been a problem ever since daily papers began publishing. However in the recent

past the reporter was somewhat insulated from the profit-making parts of the media, and reporters cherished and fiercely defended that insulation. Today's conversion of the individual journalist into a

one-man or one-woman profit center is far more insidious than the occasional advertiser pressure or publisher-driven sensationalism of days gone by. "Journalists who operate in this environment," Fallows writes, "start to think of themselves as small businessmen, doing everything possible to exploit new markets and maximize their returns."

As Fallows observes, the press may think itself clever to keep trumpeting the message that public life is hopelessly corrupt, but ultimately

the fate of political democracy and the press itself are closely linked. "The truth that today's media establishment has tried to avoid seeing is that it will rise or fall with the political system. The ultimate reason people buy the *New York Times* rather than *People*, or watch *World News Tonight* rather than *Entertainment Tonight*, is a belief that it is worth paying attention to public affairs. . . . If people have no interest in politics or public life, they have no reason to follow the news."

Fallows is guardedly hopeful that the public journalism movement may rescue both the self-respect of the media and the public's trust in journalism and in the project of public improvement. But it is hard to share that optimism. The lure of celebrity is often no match for hard investigative work, let alone the much less sexy business of covering the civic life of a community. Fallows himself is an important counter role model. He doesn't do the paid lecture circuit or the weekend pundit shows, and he writes serious books. His broadcast outlet is National Public Radio.

Ultimately, if journalism as a calling is to be saved from journalism as buckraking, it will require journalists deciding, one at a time, that their craft has value beyond the speaking fees that their celebrity value can fetch. It would be salutary for reporters to be subject to the same disclosure and conflict-of-interest strictures that they demand of the politicians they ridicule. But it has been a long slide down, and it will be a long road back. □

Washington-based journalism over-covers Washington and undervalues the rest of the country.

MICHAEL SCHUDSON

# What if Civic Life Didn't Die?

**R**obert Putnam's important and disturbing work on civic participation ("The Strange Disappearance of Civic America," *TAP*, Winter 1996) has led him to conclude that television is the culprit behind civic decline. But lest we be *too* disturbed, we ought to consider carefully whether the data adequately measure participation and justify his conclusions and whether his conclusions fit much else that we know about recent history. I suggest that his work has missed some key contrary evidence. If we could measure civic participation better, the decline would be less striking and the puzzle less perplexing. If we looked more carefully at the history of civic participation and the differences among generations, we would have to abandon the rhetoric of decline. And if we examined television and recent history more closely, we could not convict TV of turning off civic involvement.

Consider, first, the problem of measuring whether there has been civic decline. Putnam has been ingenious in finding multiple measures of civic engagement, from voter turnout to opinion poll levels of trust in government to time-budget studies on how people allocate their time to associational membership. But could it be that even all of these measures together mask how civic energy is deployed?

Data collected by Sidney Verba, Kay Lehman Schlozman, and Henry Brady suggest the answer is yes. In 1987, 34 percent of their national sample reported active membership in a community problem-solving organization compared to 31 percent in 1967; in 1987, 34 percent reported working with others on a local problem compared to 30 percent in 1967. Self-reports should not be taken at face value, but why does this survey indicate a slight increase in local civic engage-

ment? Does it capture something Putnam's data miss?

Putnam's measures may, in fact, overlook several types of civic activity. First, people may have left the middling commitment of the League of Women Voters or the PTA for organized activity both much less and much more involving. As for much more: Churches seem to be constantly reinventing themselves, adding a variety of groups and activities to engage members, from singles clubs to job training to organized social welfare services to preschools. An individual who reports only one associational membership—say, a church or synagogue—may be more involved in it and more "civic" through it than someone else who reports two or three memberships.

Second, people may have left traditional civic organizations that they used for personal and utilitarian ends for commercial organizations. If people who formerly joined the YMCA to use the gym now go to the local fitness center, Putnam's measures will show a decrease in civic participation when real civic activity is unchanged.

Third, people may be more episodically involved in political and civic activity as issue-oriented politics grows. For instance, in California, motorcycle riders have become influential political activists since the 1992 passage of a law requiring bikers to wear helmets. According to the *San Diego Union*, of 800,000 licensed motorcyclists, 10,000 are now members of the American Brotherhood

**UNSOLVED  
MYSTERIES:  
THE  
TOCQUEVILLE  
FILES**

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Aimed Toward Education (ABATE), which has been credited as decisive in several races for the state legislature. Members do not meet on a regular basis, but they do periodically mobilize in local political contests to advance their one legislative purpose. Would Putnam's data pick up on this group? What about the intense but brief house-building activity for Habitat for Humanity?

Fourth, Putnam notes but leaves to the side the vast increase in Washington-based mailing list organizations over the past 30 years. He ignores them because they do not require members to do more than send in a check. This is not Tocquevillian democracy, but these organizations may be a highly efficient use of civic energy. The citizen who joins them may get the same civic payoff for less personal hassle. This is especially so if we conceive of politics as a set of public policies. The citizen may be able to influence government more satisfactorily with the annual membership in Sierra Club or the National Rifle Association than by attending the local club luncheons.

Of course, policy is a limited notion of government. Putnam assumes a broader view that makes personal investment part of the payoff of citizenship. Participation is its own reward. But even our greatest leaders—Jefferson, for one—complained about the demands of public life and, like Dorothy in liberating Oz, were forever trying to get back home. Getting government off our backs was a theme Patrick Henry evoked. And who is to say that getting back home is an unworthy desire?

The concept of politics has broadened enormously in 30 years. Not only is the personal political (the politics of male-female relations, the politics of smoking and not smoking), but the professional or occupational is also political. A woman physician or accountant can feel that she is doing politics—providing a role model and fighting for recognition of women's equality with men—every time she goes to work. The same is true for African American bank executives or gay and lesbian military officers.

The decline of the civic in its conventional forms, then, does not demonstrate the decline of civic-mindedness. The "political" does not necessarily depend on social connectedness: Those membership dues to the NRA are political. Nor does it even depend on organized groups at all: Wearing a "Thank you for not smoking" button is

political. The political may be intense and transient: Think of the thousands of people who have joined class action suits against producers of silicone breast implants or Dalkon shields or asbestos insulation.

**L**et us assume, for argument's sake, that there has been a decrease in civic involvement. Still, the rhetoric of decline in American life should send up a red flag. For the socially concerned intellectual, this is as much off-the-rack rhetoric as its mirror opposite, the rhetoric of progress, is for the ebullient technocrat. Any notion of "decline" has to take for granted some often arbitrary baseline. Putnam's baseline is the 1940s and 1950s when the "long civic generation"—people born between 1910 and 1940—came into their own. But this generation shared the powerful and unusual experience of four years of national military mobilization on behalf of what nearly everyone came to accept as a good cause. If Putnam had selected, say, the 1920s as a baseline, would he have given us a similar picture of decline?

Unlikely. Intellectuals of the 1920s wrung their hands about the fate of democracy, the decline of voter turnout, the "eclipse of the public," as John Dewey put it or "the phantom public" in Walter Lippmann's terms. They had plenty of evidence, particularly in the record of voter turnout, so low in 1920 and 1924 (49 percent each year) that even our contemporary nadir of 1988 (50.3 percent) does not quite match it. Putnam himself reports that people born from 1910 to 1940 appear more civic than those born before as well as those born after. There is every reason to ask why this group was so civic rather than why later groups are not.

The most obvious answer is that this group fought in or came of age during World War II. This is also a group that voted overwhelmingly for Franklin D. Roosevelt and observed his leadership in office over a long period. Presidents exercise a form of moral leadership that sets a norm or standard about what kind of a life people should lead. A critic has complained that Ronald Reagan made all Americans a little more stupid in the 1980s—and I don't think this is a frivolous jibe. Reagan taught us that even the president can make a philosophy of the principle, "My mind's made up, don't confuse me with the facts." He



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taught us that millions will pay deference to someone who regularly and earnestly confuses films with lived experience.

The “long civic generation” had the advantages of a “good war” and a good president. Later generations had no wars or ones about which there was less massive mobilization and much less consensus—Korea and, more divisively, Vietnam. They had presidents of dubious moral leadership—notably Nixon, whom people judged even in the glow of his latter-day “rehabilitation” as the worst moral leader of all post-World War II presidents. So if there has been civic disengagement in the past decades, it may be not a decline but a return to normalcy.

If the rhetoric of decline raises one red flag, television as an explanation raises another. Some of the most widely heralded “media effects” have by now been thoroughly discredited. The yellow press had little or nothing to do with getting us into the Spanish-American War. Television news had little or nothing to do with turning Americans against the Vietnam War. Ronald Reagan’s mastery of the media did not make him an unusually popular president in his first term (in fact, for his first 30 months in office he was unusually unpopular).

Indeed, the TV explanation doesn’t fit Putnam’s data very well. Putnam defines the long civic generation as the cohort born from 1910 to 1940, but then he also shows that the downturn in civic involvement began “rather abruptly” among people “born in the early 1930s.” In other words, civic decline began with people too young to have served in World War II but too old to have seen TV growing up. If we take 1954 as a turning-point year—the first year when more than half of American households had TV sets—Americans born from 1930 to 1936 were in most cases already out of the home and the people born the next four years were already in high school by the time TV is likely to have become a significant part of their lives. Of course, TV may have influenced this group later, in the 1950s and early 1960s when they were in their twenties and thirties. But this was a time when Americans

watched many fewer hours of television, averaging five hours a day rather than the current seven, and the relatively benign TV fare of that era was not likely to induce fearfulness of the outside world.

All of my speculations here and most of Putnam’s assume that one person has about the same capacity for civic engagement as the next. But what if some people have decidedly more civic energy than others as a function of, say, personality? And what if these civic spark plugs have been increasingly recruited into situations where they are less civically engaged?

Putnam accords this kind of explanation some attention in asking whether women who had been most involved in civic activities were those most likely to take paying jobs, “thus lowering the average level of civic engagement among the remaining homemakers and raising the average among women in the workplace.” Putnam says he “can find little evidence” to support this hypothesis, but it sounds plausible.

A similar hypothesis makes sense in other domains. Since World War II, higher education has mushroomed. Of people born from 1911 to 1920, 13.5 percent earned college or graduate degrees; of those born during the next decade, 18.8 percent; but of people born from 1931 to 1950, the figure grew to between 26 and 27 percent. A small but increasing number of these college students have been recruited away from their home communities to elite private colleges; some public universities also began after World War II to draw from a national pool of talent. Even colleges with local constituencies increasingly have recruited faculty nationally, and the faculty have shaped student ambitions toward national law, medical, and business schools and corporate traineeships. If students drawn to these programs are among the people likeliest in the past to have been civic spark plugs, we have an alternative explanation for civic decline.

Could there be a decline? Better to conceive the changes we find as a new environment of civic and political activity with altered institutional

So if there has been civic disengagement in the past decades, it may be not a decline but a return to normalcy.

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openings for engagement. Television is a part of the ecology, but in complex ways. It is a significant part of people's use of their waking hours, but it may be less a substitute for civic engagement than a new and perhaps insidious form of it. TV has been more politicized since the late 1960s than ever before. In 1968, *60 Minutes* began as the first money-making entertainment news program, spawning a dozen imitators. *All in the Family* in 1971 became the first prime-time sitcom to routinely take on controversial topics, from homosexuality to race to women's rights. *Donahue* was first syndicated in 1979, *Oprah* followed in 1984, and after them, the deluge.

If TV does nonetheless discourage civic engagement, what aspect of TV is at work? Is it the most "serious," civic-minded, and responsible part—the news? The latest blast at the news media, James Fallows's *Breaking the News*, picks up a familiar theme that the efforts of both print and broadcast journalists since the 1960s to get beneath the surface of events has led to a journalistic presumption that no politician can be trusted and that the story behind the story will be invariably sordid.

All of this talk needs to be tempered with the reminder that, amidst the many disappointments of politics between 1965 and 1995, this has been an era of unprecedented advances in women's rights, gay and lesbian liberation, African American opportunity, and financial security for the elderly. It has witnessed the first consumers' movement since the 1930s, the first environmental movement since the turn of the century, and public health movements of great range and achievement, especially in antismoking. It has also been a moment of grassroots activism on the right as well as on the left, with the pro-life movement and the broad-gauge political involvement both locally and nationally of the Christian right. Most of this activity was generated outside of political parties and state institutions. Most of this activity was built on substantial "grassroots" organizing. It is not easy to square all of this with an account of declining civic virtue.

Robert Putnam has offered us a lot to think about, with clarity and insight. Still, he has not yet established the decline in civic participation, let alone provided a satisfying explanation for it. What he has done is to reinvigorate inquiry on a topic that could scarcely be more important.

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THEDA SKOCPOL

## Unravelling From Above

If only folks would turn off the TV and start attending PTA meetings, America's future could be as bright as its civically engaged past. This diagnosis is taking shape in foundation-sponsored gatherings and among highbrow columnists. Privileged men and women—who spend most of their waking hours in their offices, on jet airplanes, and in front of computer screens—are converging on the belief that civic irresponsibility is the fault of average Americans.

Today's concern with civic engagement is widely shared, deceptively suggesting a consensus. "We find ourselves at a unique moment in American history," applauds multimillionaire Arianna Huffington writing in the *Wall Street Journal*, "when thoughtful people all across the political spectrum are coming together to recognize the primacy of civil society to our national health." Americans are "returning to Tocqueville," agrees Michael Barone in a *Washington Post* commentary that concludes that 1990s "new" Democrats must develop "an acceptable variant of the Republican faith," where "government leaves to voluntary associations . . . functions that elsewhere and at other times have been performed by the state." But this conclusion is too hasty.

On the right, civic responsibility means drastic reductions in the role of the national government. In the words of George Will, "swollen government, which displaces other institutions, saps democracy's strength. There is . . . a zero-sum transaction in society: As the state waxes, other institutions wane." Accordingly, Newt Gingrich wants to "renew America" by "replacing the welfare state with an opportunity society" featuring market incentives and "volunteerism and spiritual renewal." And Arianna Huffington promotes Gingrichism through a new Washington-based advocacy group called the Center for Effective Compassion.

Many conservatives are rallying around this notion of civil society as an alternative to extra-local government. Fresh from years of successful government bashing inside the Beltway, the Heritage Foundation has rechristened its journal *Policy Review* as *Policy Review: The Journal of American Citizenship*. "We think of our mission as 'Applied Tocqueville,'" declare the editors. "We will focus on the institutions of civil society—families, communities, voluntary associations, churches and other religious organizations, business enterprises, public and private schools, local governments—that are solving problems more effectively than large, centralized, bureaucratic government . . . . We hope many liberals and centrists will join us in this endeavor."

But liberals and thoughtful centrists are rightfully reluctant to conflate business and the market with civil society, while pitting voluntarism and charity in zero-sum opposition to government. The United States has never had much of a "centralized bureaucratic" welfare state; instead the federal and state governments have often subsidized and acted in partnership with the efforts of voluntary, religious, and nonprofit agencies such as Catholic Charities and the Salvation Army. It is not at all clear that spontaneous local voluntarism would take up the slack should national social provision be destroyed. Besides, economic forces can hurt civil society as much as needlessly intrusive government. "The market acts blindly to sell and to make money," Senator Bill Bradley aptly declared in a February 1995 speech to the National Press Club. "Too often those who trash government as the enemy of freedom and a destroyer of families are strangely silent about the market's corrosive effects on those very same values in civil society."

## ENTER EMPIRICAL RESEARCH

At the center of this discussion are the writings of Harvard University's Robert D. Putnam. By embellishing the idea of "social capital" borrowed from the late James Coleman, Putnam has persuaded his fellow political scientists, and even the occasional economist, to take up issues of the sort usually relegated to lowly and underfunded sociologists. With admirable gusto, he has plunged into empirical data to look for causes of the "disappearance" of civic America.

"Disappearance" is too strong a word, of course.

As Putnam acknowledges, Americans remain more likely to join churches and other voluntary groups than the citizens of any other advanced industrial nation. Some researchers do not agree with Putnam that volunteering has declined in recent years. Questions can be asked about the General Social Survey (GSS) on which he chiefly relies. The GSS asks respondents about "types" of organizations to which they belong, not concrete group memberships; as groups have proliferated within certain categories, the extent of individuals' involvements may well be undercounted. What is more, newer types of involvements—such as parents congregating on Saturdays at children's sports events, or several families going together to the bowling alley (just visit one and look!)—may not be captured by the GSS questions. As many fathers and mothers have pulled back from Elks Clubs and women's clubs, they may have turned not toward "bowling alone" but toward child-centered involvements with other parents.

Despite qualms about the data, I accept Putnam's broad finding of a generational disjuncture in the associational loyalties of many American adults, starting around the mid-1960s. Once-vibrant federations of locally rooted associations (such as the PTA, the American Legion, and many fraternal groups) did not continue to attract younger adults as readily as they had in the past. Moreover, the group involvements of U.S. adults coming of age after the 1950s may not hold the same significance for U.S. civic life as the PTA, the American Legion, and other such voluntary federations.

These federations once had an enormous impact, both locally and nationally. Early in this century, the PTA (then the National Congress of Mothers) joined with other women's voluntary federations to push for historic breakthroughs in social policy, including mothers' pensions (later to become Aid to Families with Dependent Children); the establishment of the federal Children's Bureau; and the enactment of the federal Sheppard-Towner program to promote maternal and infant health (later to become part of the Social Security Act). Similarly, during the 1940s the American Legion formulated the GI Bill, modern America's greatest program of federal investment in higher education and youthful family formation. Millions of Legionnaires, arrayed in thousands of local posts

and in state and national headquarters, waged a popular campaign calling upon Congress to enact this program. Without the American Legion, access to college would not have been so fully opened up to working- and middle-class Americans after World War II. Conservatives may imagine that popular voluntary associations and the welfare state are contradictory opposites, but historically they have operated in close symbiosis. Voluntary civic federations have both pressured for the creation of public social programs, and worked in partnership with government to administer and expand such programs after they were established.

Putnam has put his finger on a historic break in U.S. associational life. Yet as others delve deeper into the dynamics of civic engagement in U.S. democracy, they should critically examine the largely individualist and localist premises on which Putnam has so far based his research. To be sure, Putnam's research on the decline in social capital does not demonize the welfare state. Nevertheless, fresh inspirations need to come into play, to avoid an inaccurate picture of how and why American civil society has historically flourished and recently declined.

#### LOOKING BEYOND DISCONNECTED INDIVIDUALS

Ironically for a scholar who calls for attention to social interconnectedness, Putnam works with atomistic concepts and data. He writes as if civic associations spring from the purely local decisions of collections of individuals—with everyone in the socioeconomic structure potentially counting the same as everyone else. Putnam sorts individuals by gender, educational levels, job-market involvements, and “exposures” to television. He tries to derive group outcomes by testing one variable at a time against such highly aggregated individual-level data. Perhaps unintentionally, Putnam largely ignores the cross-class and organizational dynamics by which civic associations actually form and persist—or decay and come unravelled.

An association may decline not only because people with the wrong sorts of individual traits proliferate in the population, but also because

opportunities and cultural models for that association (or type of organization) wither in the larger society and polity. An association may also decline because the defection of crucial types of leaders or members makes the enterprise less resourceful and relevant for others.

Consider what occurs when better-educated women shift from family and community endeavors

into the paid labor force. As capable women who once devoted energies to the PTA (and similar locally rooted federations) have switched their allegiances to workplaces and national professional groups, PTAs may have become less attractive for other potential members, including housewives. PTAs may also have become less powerful in local, state, and national politics. Such

trends are magnified if, at the same time, more and more privileged two-career married couples move to high-income neighborhoods or switch their children from public to private schools. Putnam argues that female entry into the paid labor force cannot explain membership decline because employed women join more groups than housewives. But he does not tell us what kinds of groups employed women have joined; nor does he explore the potential unravelling effects of the withdrawal of women leaders from locally rooted cross-class federations like the PTA.

Throughout U.S. history, well-educated and economically better-off citizens have been key founders, leaders, and sustaining members of voluntary associations. The commitment of business people and professionals, and of women married to them, has been especially important for the great cross-class and cross-regional associations—such as veterans groups, fraternal bodies, temperance associations, ethnic benefit societies, and women's federations—that played such a major role in U.S. civic life from the nineteenth through the mid-twentieth century.

Maybe what has changed recently has less to do with TV watching than with shifting elite allegiances. Members of a burgeoning upper-middle stratum of highly educated and munificently paid managers and professionals may have pulled out of locally rooted civic associations. At one time partic-

**T**wentieth-century  
voluntary federations  
were often built from  
the top down.



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ipation and leadership in the American Legion or the PTA were stepping stones for professionals, business people, and privileged homemakers. But now their counterparts do better if they work long hours and network with each other through extra-local professional or trade associations, while dealing with politics by sending checks to lobbying groups headquartered in Washington, DC. If this scenario is credible—and I suggest it is just as plausible, given the data, as Putnam's TV argument—then maybe the quest for “who done it” strikes uncomfortably closer to home for the privileged people (myself included!) who fly off to elegant meetings to ponder the civic misbehaviors of the great unwashed.

### A GENERATIONAL DIVIDE

Another irony: Although Putnam directs our attention toward succeeding generations, he gives short shrift to the cultural splits between older and younger Americans that occurred in the 1960s and 1970s. Putnam does not view a “sixties and seventies period effect” as an important cause of declining civic engagement, on the grounds that everyone would have dropped out in equal numbers. But ever since the work of Karl Mannheim, historical social scientists have hypothesized that epochal watersheds have their biggest influence on the outlooks of young adults. Perhaps Americans reaching adulthood in the sixties and seventies looked anew at the world, and did not find so attractive those civic associations that their elders still held dear.

The sixties and seventies did bring divisions in outlook between Americans who came of age from World War II to the height of the Cold War versus those who reached maturity during the era of the civil rights struggle and the war in Vietnam. We know that this contentious watershed adversely affected enrollments in the American Legion and the Veterans of Foreign Wars. The sixties and seventies also brought changes in race and gender relations, which may well have rendered mostly segregated associations less attractive to younger people—again, without necessarily loosening the established group loyalties of their parents.

### POLITICAL CHANGES AND ASSOCIATIONAL LIFE

But why didn't new locally rooted federations emerge to replace those that started to fade in the

1960s? To some degree they did, for example in the environmental movement. Yet new federations did not grow enough to carry on the organizational tradition of the PTA, the Elks, and the American Legion. Why not brings me to my last argument—about the Tocqueville romanticism that not only undergirds right-wing versions of the civil society debate, but also influences aspects of Putnam's research. Of course Putnam does not share Gingrich's hostility to the welfare state. Yet he often speaks of social capital as something that arises or declines in a realm apart from politics and government.

A romantic construction of Tocqueville supposes that voluntary groups spring up *de novo* from below, created by individuals in small geographic areas who spontaneously decide to associate to get things done “outside of” government and politics. Supposedly this is what Alexis de Tocqueville saw in early national America. But local spontaneity wasn't all that was going on back then. True, once local villages and towns passed a threshold of 200 to 400 families apiece, voluntary associations tended to emerge, especially if there were locally resident business people and professionals. But research on America in the early 1800s shows that religious and political factors also stimulated the growth of voluntary groups. In a country with no official church and competing religious denominations, the Second Great Awakening spread ideas about personal initiative and moral duty to the community. In addition, the American Revolution, and the subsequent organization of competitive national and state elections under the Constitution of 1789, triggered the founding of newspapers and the formation of local and translocal voluntary associations much faster and more extensively than just nascent town formation can explain. The openness of the U.S. Congress and state legislatures to organized petition drives, the remarkable spread of public schooling, and the establishment of U.S. post offices in every little hamlet were also vital enabling factors, grounded in the very institutional core of the early U.S. state. (As a nobleman critical of the centralized bureaucratic state of contemporary post-revolutionary France, Tocqueville naturally riveted on the absence of a bureaucratic state in early America. He briefly acknowledged but did not emphasize the effects of early American government on the associations of civic

society.)

In the latter part of the nineteenth century came another great wave of U.S. voluntary group formation—this time prominently featuring three-tiered federations of associations at the local, state, and national level. Again, political events and processes were critical, along with industrialization, urbanization, and immigration. The Civil War and its aftermath encouraged ties between central and local elites and groups. Between the mid-1870s and the mid-1890s the intense electoral competition of locally rooted, nation-spanning political parties encouraged the parallel formation of voluntary federations, and gave them electoral or legislative leverage if they wanted it—as groups such as the Grand Army of the Republic, the Grange, and the Women’s Christian Temperance Union most decidedly did.

Twentieth-century voluntary federations were often built from the top down, deliberately structured to imitate and influence the three tiers of U.S. government, and encouraged by parts of the federal government itself. Thus the American Legion was launched from the top by World War I military officers and later nurtured by the Veterans Administration. And the American Farm Bureau Federation was encouraged by the U.S. Department of Agriculture. The PTA itself, now romanticized as a purely local voluntary group, did not originally bubble up from below. It was founded in 1897 as the National Congress of Mothers (and renamed the PTA in 1924). The original Congress of Mothers was knit together from above by elite women. It started out as the brainchild of a new mother married to a prominent lawyer in Washington, DC. She decided to launch a women’s organization resembling the U.S. Congress and paralleling the levels of U.S. government, so that “mother thought” could be carried into all spheres of American life. Once the Congress of Mothers began to take shape, as prominent women wrote to their counterparts in states and localities, it immediately turned to influencing local, state, and national governments to work in partnership with it for the good of all mothers and children. From its very inception, the Congress of Mothers/PTA was actively involved in public policymaking and

If we want to  
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most revitalize  
political  
democracy.

the construction of a distinctively American version of the welfare state.

Although U.S. history contradicts the premises of Tocqueville romanticism, this vision has insinuated itself into current scholarship about U.S. civil society. Political patterns and developments (such as levels of trust in government, and rates of electoral participation or attendance at public meetings) are treated simply as “dependent variables.” The assumption is that local voluntarism is fun-

damental, the primary cause of all that is healthy in democratic politics and effective governance, in contrast to the dreaded “bureaucratic state.” But just as Marxists are wrong to assume that the economy is the primal “substructure” while government and politics are merely “superstructure,” so Tocqueville romanticists are wrong to assume that spontaneous social association is primary while government and politics are derivative. On the contrary, U.S. civic associations were encouraged by the American Revolution, the Civil War, the New Deal, and World Wars I and II; and until recently they were fostered by the institutional patterns of U.S. federalism, legislatures, competitive elections, and locally rooted political parties.

#### CIVIC DECLINE RECONSIDERED

From the 1960s onward the mechanics of U.S. elections changed sharply. Efforts to mobilize voters through locally rooted organizations gave way to television advertising, polling and focus groups, and orchestration by consultants paid huge sums with money raised from big donors and mass mailings. Around the same time, the number of lobbying groups exploded in Washington, DC. Both business groups and “public interest” groups proliferated. Advocacy groups have clashed politically, yet their structures have become remarkably similar.

By now, almost all are led by resident professional staffs, and funded more by outside donors or commercial side ventures than from membership dues. If today’s advocacy groups connect at all to society at large, they do so through mailings of magazines, newsletters, and appeals for donations to millions of individuals. The American Association of Retired Persons (AARP), founded in

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1958, now has around 35 million members fifty years of age and older. But only 5 to 10 percent of AARP members participate in local affiliates, and new members join after getting a letter in the mail, not an invitation to a local club meeting. The AARP is not like the locally rooted federations that once dominated the ranks of nationwide U.S. voluntary associations.

Just as younger adults were turning away from traditional voluntary associations, America's ways of doing electoral politics and legislative advocacy were sharply transformed. Television was certainly a major factor, as were computerized modes of data analysis and direct-mail targeting. Complementary changes happened in the media, and in ways of doing policy business in the federal bureaucracy and Congress. Interlocking transformations added up to a new set of constraints and opportunities for voluntary groups: No longer do the great local-state-national federations, rooted in face-to-face meetings in localities, have a comparative advantage in mediating between individuals and politicians, between localities and Washington, DC. Professional and business elites increasingly bypass such federations. One exception, on the right, is the Christian Coalition, which since the late 1980s has successfully melded top-down and bottom-up styles of political mobilization.

Throughout much of U.S. history, electoral democracy and congressionally centered governance nurtured and rewarded voluntary associations and locality-spanning voluntary federations. But since the 1960s, the mechanics of U.S. politics have been captured by manipulators of money and data. Among elites new kinds of connections are alive and well. Privileged Americans remain active in think tanks, advocacy groups, and trade and professional associations, jetting back and forth between manicured neighborhoods and exotic retreats. Everyone else has been left to work at two or three poorly paid jobs per family, coming home exhausted to watch TV and answer phone calls from pollsters and telemarketers.

How ironic it would be if, after pulling out of locally rooted associations, the very business and professional elites who blazed the path toward local civic disengagement were now to turn around and successfully argue that the less privileged Americans they left behind are the ones who must repair the nation's social connectedness, by pulling

themselves together from below without much help from government or their privileged fellow citizens. This, I fear, is what is happening as the discussion about "returning to Tocqueville" rages across elite America.

Progressives who care about democratic values should pause before joining this new "consensus." They should not hastily conclude that the answers to most of America's problems lie in civil society understood apart from, or in opposition to, government and politics. The true history of civic associationalism in America gives the lie to notions propagated by today's government bashers and government avoiders.

Organized civil society in the United States has never flourished apart from active government and inclusive democratic politics. Civic vitality has also depended on vibrant ties across classes and localities. If we want to repair civil society, we must first and foremost revitalize political democracy. The sway of money in politics will have to be curtailed, and privileged Americans will have to join their fellow citizens in broad civic endeavors. Re-establishing local voluntary groups alone will not suffice.

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RICHARD M. VALELLY

## Couch-Potato Democracy?

**R**obert Putnam's analysis of the decline of civic engagement suggests that Americans have become a nation of couch-potatoes, turning to television for solitary entertainment, leaving bowling leagues, PTA meetings, and the Rotary Club behind. If true, this shift to homebody-ness entails a vast cost to public spirit. A long line of democratic theory stretching from Thucydides to Tocqueville suggests that a dynamic and diverse polity requires civic engagement, else threats to liberty and prosperity emerge.

As compelling as Putnam's argument is, he has left out the organizations that draw people into

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political participation—parties, groups, and movements. Like some analysts of voter behavior who ask whether citizens are more or less likely to participate depending on such factors as level of education, income, and age, Putnam assumes civic activity depends largely on traits and dispositions outside the polity. In keeping with this view, Putnam “holds constant” the political organizational context of civic engagement for the period 1920 to 1996. But does that make sense in light of the enormous changes in parties and groups since 1920?

Analyses of voter behavior can shed some light on this issue. The best work on voter turnout, Steven Rosenstone and John Mark Hansen’s *Mobilization, Participation, and American Democracy*, shows that people don’t just come to politics; politics also comes to people. The institutional setting affects who participates and how; voter traits matter much less than commonly thought. Between 1960 and 1988 voter turnout declined about 11 percentage points in presidential elections. Rosenstone and Hansen demonstrate that the weakened social involvement that Putnam describes, along with the declining age of the electorate, accounted for about 35 percent of the turnout decline. But they found that 54 percent of the drop was due to what they call “decline in mobilization.” Personal contact with voters gave way to television advertising, states moved their gubernatorial campaigns to “off” years, primaries proliferated, leaving fewer resources for mobilization during general campaigns, and the civil rights and student movements weakened.

So we can’t talk about the drop in voting without talking about how galvanizing parties and movements are. The 65 percent decline in unionization since 1954, for example, has critically reduced resources for mobilizing voters. Many analysts of union decline point to the rise of consulting firms that specialize in “union avoidance,” sharp increases in unfair labor practices among management, the limitations of labor laws and their enforcement, and labor’s strategic errors in the face of economic change. Civic disengagement has not caused trade union decline; trade union decline has caused civic disengagement.

Putnam’s indictment of television is deeply and appropriately Tocquevillian. Tocqueville warned that individualism could pull Americans into pri-

vate concerns and leave us vulnerable to the degradation of public life. If Putnam is right, then Tocqueville’s prophecy is now urgent. Alternatively, though, the polity may have abandoned the people. Imagine if unions still organized torchlight parades on Labor Day during a presidential election year; if presidential candidates came to town in motorcades and waved at supporters, stopping to shake their hands and kiss their children; and if local party politicians, church leaders, and others contacted voters personally asking for support for one candidate or another. Amidst all this activity wouldn’t you be more likely to run into someone who asked you to bowl with his league? Or invited you to come to a meeting of an investment club? Mightn’t you be more trusting of the world at large? The television might be on at the bowling alley, and on election night you might watch the returns on TV at the American Legion hall or gathered with friends. But you wouldn’t be a couch-potato citizen.

So maybe it’s not that the people have lost interest in the polity, seduced by *Friends* one night and *Frasier* another. Maybe the polity, as it were, has lost interest in the people. It’s not that Americans are tuning out. They’re being left out.

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## Robert Putnam Responds

**A**ny social change as broad gauged as that sketched in “The Strange Disappearance of Civic America” is surely complex—with multiple causes, conflicting countertrends, and uncertain consequences—so I welcome a lively discussion of these issues, especially with interlocutors as sophisticated as those in this symposium. In my view, four central questions must be considered:

1. Is it true that civic engagement has declined in the last few decades—that is, have Americans’ connections with their communities become attenuated? My 1995 article on “Bowling Alone” surveyed this issue, and “Strange Disappearance”



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briefly reviewed the evidence. This is the central question addressed by Schudson.

2. If so, why has it happened? "Strange Disappearance" was a first attempt to sort through some possible answers to this question. Schudson, Skocpol, and Valelly all respond in part to this question.

3. Does it matter? That is, does civic engagement (or its absence) actually have significant consequences for the health of our communities? This question has not been debated thus far, and I shall here assume—like my critics here—that, for the most part, the answer is "yes." However, "civic engagement" comes in many forms, some healthful and others not, so exploring the diverse consequences of those different forms will be a central concern of my larger project.

4. What can we do about it? This is, in many respects, the question that most concerns me. It is the focus of a gathering debate in conservative circles, but until now it has been ignored by progressives. I am thus delighted that it is at the core of Skocpol's contribution.

**F**irst, has anything changed? Americans engage with our communities and with one another in many different forms—in families, around the water cooler, at church, on the street corner, over the barbecue, in voluntary associations, in political gatherings, and myriad other settings. No single archive records all these encounters, but I have tried to pull together as diverse an array of evidence as possible—multiple surveys, membership records, time budgets and so on—in order to detect and decipher underlying trends, without limiting my attention to a single sphere, such as politics. The title "Bowling Alone" was chosen precisely to suggest that civic disengagement in contemporary America is not primarily a political phenomenon, although of course it has powerful political consequences. (By way of analogy, neither universal education nor television is primarily a political phenomenon, although both have had powerful political consequences.)

Politics, however, is the focus of the critiques by Schudson and Valelly, and I am happy to address it. I am not the first scholar to notice a decades-long slump in many forms of political engagement. Valelly correctly cites, for example, Rosenstone and Hansen, whose pathbreaking work (as modestly extended in

my own) shows substantial declines in such activities as attending meetings on community affairs or working for political parties. Equally ominously, interest in political and social issues among students entering college reached a 30-year low last fall.

The forms of engagement that have resisted this trend—political contributions, civil litigation, talk radio, membership in "mailing-list" and "single-issue" lobbies, such as the AARP or the NRA, and so on—are without doubt politically significant, and they betoken a widespread recognition of the power of politics, for good or ill. Americans have not stopped trying to influence government, even though most of us are increasingly skeptical about our chances of success.

For the most part, however, these rising forms of political engagement rest on a constricted notion of citizenship—citizen as disgruntled claimant, not citizen as participant in collective endeavor to define the public interest. Just as much of our community service today is "drop-by," much of our politics is "surf-by" and "call-in." We are no less free with our opinions, but we are listening to each other less. We are shouting and pressuring and suing, but we are not reasoning together, not even in the attenuated sense that we once did, with people we know well and will meet again tomorrow. Financial capital grows in political importance, while social capital declines. To those Americans who have more money than time, this may seem a mere change in coinage, but the transformation is fundamentally debasing our democracy.

Schudson is surely right that there was something special about "the long civic generation"—that is, after all, why I labeled it such—and he and Skocpol are both right that levels of civic engagement have risen and fallen in the tides of American history. In fact, the unusual civic engagement among Americans raised in the first half of this century was probably the fruit of a period of civic revitalization around the turn of the century. (I am currently engaged in research on precisely this question, in the hopes of uncovering lessons relevant to our current predicament.) If Schudson believes, however, that contemporary progressives should rest content with today's post-civic, Reaganite "normalcy," then I dissent.

Assuming for the moment that social connectedness has in fact atrophied in recent years, what could explain that trend? My greatest regret about

"Strange Disappearance," I confess, is that its formulation seems to have invited hasty readers to conclude that I propose a simple-minded, monocausal explanation—the boob tube as the root of all evil. I do believe that television has had a profoundly negative affect on community bonds in America, but I do not believe (and I did not write) that it is the sole culprit. (In the longer published version of my essay from which *TAP* excerpted "Strange Disappearance," I wrote that "like Agatha Christie's *Murder on the Orient Express*, this crime may have had more than one perpetrator, so that we shall need to sort out ringleaders from accomplices.") My references in "Strange Disappearance" to the Zeitgeist of World War II, to the changing role of women in America, to altered family structures, and so on, should perhaps have been less fleeting. More important, I agree with all three critics that those of us investigating this puzzle should look more systematically for evidence of what Skocpol calls "structural" effects, what Valelly terms "organizational context," and what Schudson felicitously calls "spark plugs"—in short, the supply side of civic life, as well as the demand side.

On the other hand, I would not automatically upgrade this hypothesis from "plausible" to "proven," for I have met too many conscientious leaders of community organizations around the country who are despondent about their inability, despite heroic efforts, to reverse the slow ebbing of their members' involvement—spark plugs in an engine running out of fuel. Moreover, the organizational supply or "spark plug" theory is more plausible for some forms of disengagement (political parties and women's clubs, for example) and much less so for others (fraternal groups and bowling leagues, for example). Finally, even if civic disengagement did begin among erstwhile "spark plugs," rather than among organizational backbenchers, the leaders' withdrawal still needs explanation and (if disengagement matters) remediation. "Shifting elite allegiances" is a label (or an epithet), not an explanation or prescription.

**S**o what is to be done? So far the recent debate on how to restore social connectedness has been, as Skocpol says, largely a monopoly of the right. One important merit of Skocpol's important essay is precisely that it opens up this issue on the left. Another is that she brings

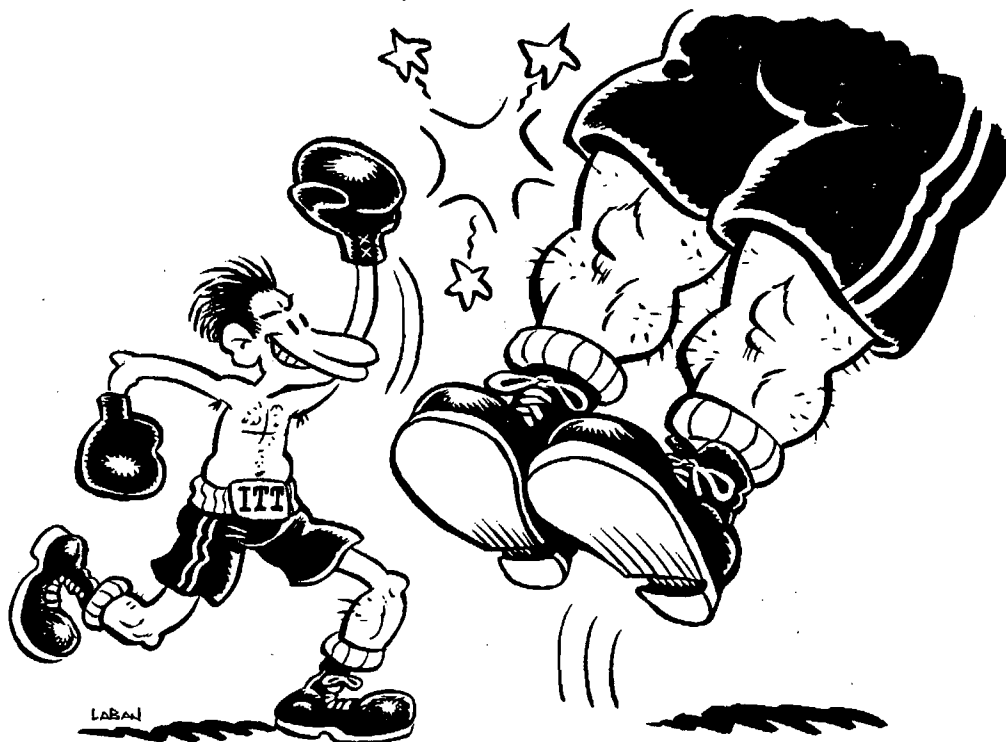
historical evidence to bear on contemporary debates. For good historical reasons, progressives should resist the view, now being articulated by some simple-minded reactionaries, that government can be replaced by "civil society." As I wrote in this journal three years ago (rather plainly, I thought, and in italics, no less): "Social capital is not a substitute for effective public policy but rather a prerequisite for it and, in part, a consequence of it."

That said, progressives cannot allow ourselves to be pushed into the position that government energy can replace civic vitality or that grassroots connectedness does not matter. Surely we do not need to rehearse sterile academic debates about "the state" versus "civil society," for both are plainly important. What we need instead is a thorough, empirically grounded debate about how to revitalize civic engagement.

Public policy will be part of the answer, as I wrote three years ago. Take a single contemporary example: Neighborhood crime watch groups seem to be a notable exception to the general decline in social connectedness over the last quarter century, and most such groups emerged from community crime prevention programs sponsored by various federal, state, and local agencies, beginning in the 1970s, working often in partnership with community groups. So Skocpol is right to criticize "Tocqueville romanticists" who would claim that politics and government are irrelevant (or worse yet, intrinsically inimical) to civic vitality and who idealize "bottom-up" solutions. (Whether she is right to put me into that category is a less important question that I shall leave to others.)

On the other hand, "top-down" or government-driven solutions are hardly a panacea, and I cannot believe that Skocpol holds that extreme view, either, despite language in her commentary here that occasionally suggests that an active civic life can exist only as the product of an active government. The Washington elites whose creativity she celebrates may have played an important role in creating the American Legion, the Farm Bureau Federation, and the PTA, but so also did millions of ordinary Americans in thousands of local communities. Finding practical ways to encourage and enable their descendants (us) to reconnect with our communities, especially across lines of race and class, is a matter of high urgency, and we should not be distracted by false "either/or" debates. □

# Even the odds.



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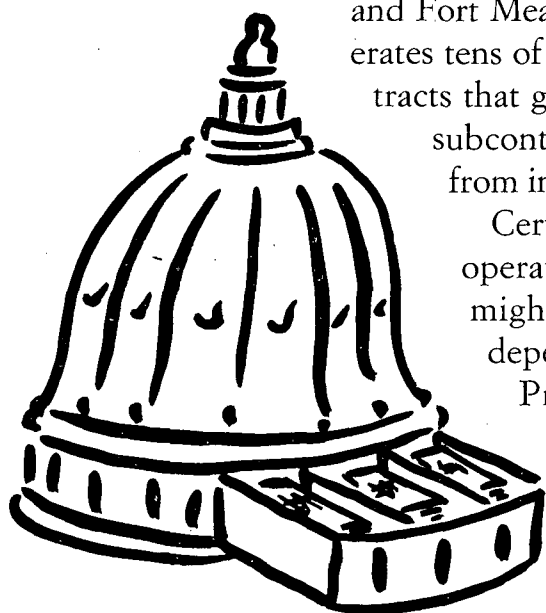
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# ORBIT OF INFLUENCE

## SPY FINANCE AND THE BLACK BUDGET

BY ROBERT DREYFUSS

A spy satellite silently drifting across suburban Virginia and Maryland would count hundreds of buildings that are part of the vast and mostly hidden "intelligence-industrial complex." It is a network that stretches from coast to coast and around the world, reaching far into space and deep under the oceans. Although it is administered by government officials, this complex is engineered, manufactured, deployed, and maintained by private industry. Around Washington, from Reston and Tysons Corner, Virginia, to Columbia and Fort Meade, Maryland, the intelligence-industrial complex generates tens of billions of dollars a year in profitable government contracts that go to a handful of big contractors and scores of smaller subcontractors—with a grateful flowback of campaign funds from industry to compliant congressmen.



Certainly there is a legitimate place for secret intelligence operations in the modern state. But political circumstances might suggest that this complex, like other government-dependent industries, is due for serious downsizing. With President Clinton and Congress desperate for budget cuts, the intelligence community has offered a steady stream of embarrassing scandals, from the Aldrich Ames affair to the reports that the CIA and the Defense Intelligence Agency hired alleged psychics for what the agencies called "remote viewing."

This January, a congressional investigation revealed that the National Reconnaissance Office (NRO), a supersecret agency whose existence was publicly acknowledged only a few years ago, lost track of a \$2 billion slush fund because it was so highly classified even top intelligence officials had no control over it.

But if the recent past is indicative, even losing \$2 billion may not be enough to incur the wrath of federal spendthrifts. In 1995, while the intelligence community was still

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reeling from the Ames scandal and budget savings were in short supply, the White House and Congress quietly agreed on an uneasy freeze in the intelligence budget, leaving spending about where it was: around \$28 billion. (Republicans in Congress, who initially pushed for an increase, settled on the status quo while promising a substantial hike next year). And, while the \$28 billion figure represented a 20 percent fall from peak spending levels in 1987, the intelligence budget stands fully 50 percent higher (in adjusted dollars) than it was in 1980, at the height of the Cold War. Post-1987 cuts in spending derived almost entirely from the elimination of spy systems targeted exclusively against the territory of the former Soviet Union.

Despite the utility of expensive satellite reconnaissance systems and listening devices, such as the ones that helped mapmakers in the Bosnian peace accords, there is a strong argument to be made that the cash outlays for the intelligence community's space program could be radically reduced. But these expenditures are sustained by a voracious military appetite for ever greater quantities of intelligence data—and, equally important, by the power of lobbyists and campaign money. Only a select handful of legislators and their staff members are privy to the intelligence appropriations process. In this cozy, cloistered world the members are the frequent beneficiaries of donations from—and frequent targets of lobbying by—intelligence contractors. Both within the intelligence bureaucracy and congressional oversight committees, staffers routinely work hand in glove with industry lobbyists, often in the explicit hope that “playing ball” with the contractors will pave the way for private employment down the road.

## BOYS AND THEIR TOYS

Despite the James Bond-inspired romantic notions of intelligence agencies, and despite the widespread belief that the CIA and other intelligence agencies spend most of their time and money on covert operations, such activities account for only 1 percent of the intelligence budget. Much of the rest—amounting to tens of billions of dollars—pays for high-technology satellites, electronic

eavesdropping devices, staggering arrays of ground processing stations, and vast computer systems. And behind each one of those high-tech gizmos stands a contractor.

Some of these companies are familiar; some are known only to insiders. The biggest ones, who build and maintain the costly satellites and other systems, can be counted on one's fingers: Lockheed Martin, TRW, Rockwell, Hughes, Boeing, E-Systems, General Dynamics, and McDonnell Douglas. John

Pike, a Federation of American Scientists analyst who has studied the U.S. intelligence-industrial complex, marvels at the scope of their presence. Standing over a table and pointing at a map, Pike highlights the contractors scattered around Westpark, in Tysons Corner, Virginia, just down the road from CIA headquarters. “Here's TRW, Unisys, and Wang,” he says. “And over here is PRC, Honeywell, GTE Spacenet, MCI, BDM, Data General, PSI, and MITRE Corp.”

It's not just this geographic clustering that gives these companies an in with the intelligence bureaucracy. Driving through the same area with a former CIA officer offers a sense of

how close the agencies and contractors have become: “Right over here, in that building, is where I went to get training in intelligence trade-craft,” he says, pointing to one of the odd-looking unmarked buildings around the Westpark-Westgate complex. These companies, in other words, do not merely supply the intelligence community with equipment; they have become its surrogate support system.

Like most private-public partnerships, this one has spawned its own version of the revolving door that allows the contractors to cultivate networks of influence. Many senior and mid-level intelligence people hope to win high-paying jobs working for the contractors when they leave their agencies, and the opportunities for such employment are vast. The CIA's own 4,000 intelligence analysts are dwarfed by the more than 40,000 analysts who work for private companies that have government intelligence contracts. “When I was at the CIA ten years ago, it was understood that if you played ball with the contractors, you would get a \$250,000 job when you left,” says Robert Steele, a former

A small circle of staffers and lobbyists, a big bundle of contributions—that is the formula for sustaining bloated intelligence spending.

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Marine and CIA clandestine-services officer who is a prominent critic of the way U.S. intelligence is organized. "I think the price has come down to \$125,000."

**A**nother factor improving the contractors' standing within the intelligence community is the pro-technology sensibility of the bureaucracy's current leadership. Perhaps more than at any other time in their history, the CIA and the Pentagon today are guided by leaders who are nearly religious in their devotion to high-tech intelligence systems, and who come directly out of industry.

Before becoming CIA director, John Deutch, a chemist from the Massachusetts Institute of Technology who had been appointed to a number of U.S. intelligence advisory boards, served on the board or a corporate committee for a wide range of defense and intelligence contractors. They included Martin Marietta, TRW, United Technologies, the MITRE Corporation, and SAIC, where he was paid hundreds of thousands of dollars. It was enough money that upon taking his Pentagon job in 1993, Deutch, like Defense Secretary William Perry, had to receive a special conflict-of-interest waiver from then-Defense Secretary Les Aspin.

Perry's involvement with the industry also spans the decades. Thirty years ago Perry, a mathematician, built a company called ESL Inc., which was a pioneer in software technology for spy satellites and electronic eavesdropping equipment. In 1978 Perry sold ESL Inc. to TRW, which is today a major NRO contractor. Around that time, Perry won for himself the nickname "Godfather of Stealth," for his role in advancing the work on the radar-evading technology while he served as chief of the Pentagon's research and engineering work. After Ronald Reagan's 1980 win, Perry stayed on as a top aide to Caspar Weinberger at the Defense Department.

Together, Perry and Deutch—along with Paul Kaminski, the undersecretary of defense for acquisitions and technology—own part of a small but significant intelligence contractor, Cambridge Research Associates of McLean, Virginia. The troika denies any conflict of interest: A Pentagon spokesperson says that the officials' financial involvement with the firm had nothing to do with recent Pentagon and intelligence-community contracts won by Cambridge, which won plaudits for a "virtual reality" system for creating images of

Bosnia from satellite surveillance data. But the revolving door around which Deutch and Perry circulated, crossing back and forth from the contracting world to U.S. officialdom, seems at the very least to have helped protect the intelligence budget from the kind of scrutiny other programs have received. And it means that the intelligence-industrial complex has been able to present a mostly united front when it approaches Congress for its annual appropriation, except perhaps for the rivalry among contractors for the intelligence dollar.

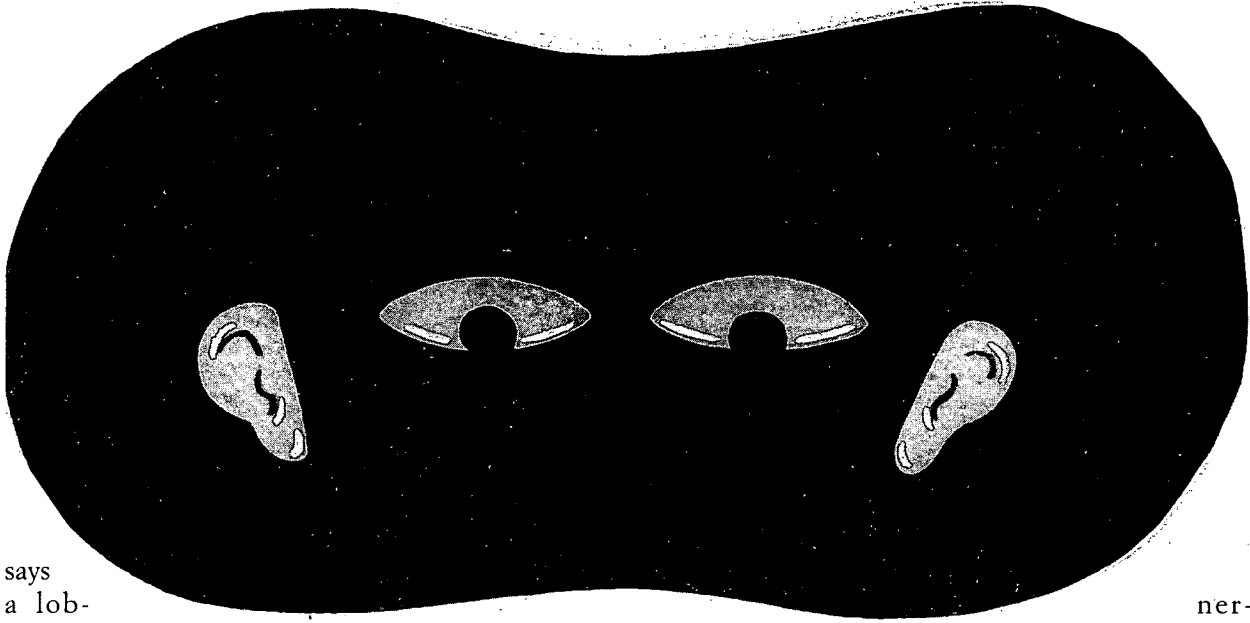
## DOLLARS FOR DEVICES

What cements the relationship between government and contractor, of course, is the steady stream of campaign contributions to the members of Congress with jurisdiction over the intelligence budget.

Florida's Tenth Congressional District provides a prime example. Curled around Tampa Bay like a sleepy iguana, the Tenth is home to C.W. "Bill" Young, a 65-year-old Republican who is currently a senior member of the House Permanent Select Committee on Intelligence (HPSCI). Originally known as a retirement enclave, the Tenth today encompasses a thriving base of intelligence-industrial firms, including Lockheed Martin, E-Systems, and Honeywell.

According to figures compiled by the National Library on Money and Politics, since 1989 Young has pulled in more than \$135,000 from the relatively small number of companies' PACs that make up the industrial base of the intelligence community. That total includes \$29,000 from Lockheed Martin and another \$24,750 from E-Systems, a highly secretive Texas-based firm that derives about 80 percent of its \$3 billion annual sales from contracts with the U.S. intelligence community.

Young, a staunch defender of a strong U.S. military, also draws mightily from the rest of the defense industry's PACs. In just the 1993-94 cycle, even before the Republican majority had seized control of Congress, Young drew more than \$66,000 from defense PACs, including \$14,750 from Lockheed Martin and \$8,000 from E-Systems. Lobbyists for the biggest players among the intelligence contractors are frank about the role played by campaign money. "The name of the game in Washington has become more and more big money for senatorial and House campaigns—and contractors feel they have to be competitive,"



says  
a lob-  
byist for  
one big satellite

manufacturer. In a sentiment expressed nearly unanimously by lobbyists, staffers, and legislative experts, the general pattern of campaign giving by virtually every company means that the individual contributions tend to cancel each other out when it comes to competitive bids. Yet whether or not that was true of the past, the future promises to be different, thanks to the consolidation of Lockheed, Martin Marietta, and Loral into the mega-contractor Lockheed Martin.

Builder of billion-dollar spy satellites and launchers, the Bethesda-based Lockheed Martin is by far the nation's largest intelligence manufacturer, absorbing all by itself more than half of the estimated \$7 billion budget for the National Reconnaissance Office, according to a former senior intelligence official. Within the intelligence manufacturing community Lockheed Martin is also the most generous financier of congressional campaigns. Among the top ten defense-related political action committees during the 1993-94 cycle, Lockheed's ranked first with \$592,000, Martin Marietta's second at \$530,000, and Loral's ninth with \$273,000 in campaign contributions. Together, the Lockheed-Martin-Loral combination would have totalled \$1,395,000 in PAC spending, more than three times the size of its nearest rival, General Dynamics, and dwarfing its rivals among suppliers to the intelligence community.

A lobbyist for one of the company's rivals says

ner-  
vously.

"If you look at

Lockheed Martin's PAC, now with Loral, they could probably afford to give everybody in the Congress \$10,000 [the maximum allowable under federal law]." His estimate is slightly exaggerated: Lockheed Martin theoretically could afford to give the maximum \$10,000 to only 139 members. But that's still more than enough to cover the handful who are privy to the intelligence appropriations process.

#### CARDINALS OF THE CAPITOL

Like several of the members of the House Permanent Select Committee on Intelligence, Florida's Bill Young plays an important role in a related House committee that deals with national security issues. As chairman of the National Security Subcommittee of the House Appropriations Committee, Young is one of the so-called "cardinals" that wield power over the federal budget—and help shepherd the \$28 billion intelligence budget through the rest of the Congress. Young's colleagues on the subcommittee are Jerry Lewis, a California Republican whose 40th District includes an air force base and the China Lake Naval Weapons Center, and Norm Dicks, a Washington Democrat who—like Senator Henry "Scoop" Jackson before him—is widely seen as Boeing's representative in Congress. Parallel to the presence of Young, Lewis, and Dicks on the appropriations subcommittee, two other members of the HPSCI

serve on a second related committee, the House National Security Committee and its Subcommittee on Military Research and Development: Republicans Robert Dornan of California and James Hansen of Utah.

Out of the 435 members of the House of Representatives, only this handful—the 16 members of the HPSCI and a small group on the appropriating and authorizing subcommittees—is allowed into the charmed circle that is given information about the supersecret, classified programs that make up the NRO, NSA, and other U.S. intelligence agencies. “It’s a small community,” says a senior lobbyist for one of the largest members of the intelligence-industrial fraternity. “I know every one of the intelligence staffers, and the related appropriations staffers.”

Secrecy limits the circle of players on the industry side, as well. Lobbying on intelligence programs is so highly classified that in some of the companies’ Washington representatives’ offices, not even the lobbyists themselves are cleared to have access into the highly secret nature of the classified programs. At Rockwell, for instance—a company so closely identified with the intelligence community that the controversial new Virginia headquarters of the NRO was initially disguised as a Rockwell facility—lobbyists can only usher specially cleared company officials in to meet with congressional oversight staffers, and then they have to leave the room.

Lobbyists for Lockheed Martin, E-Systems, Rockwell, and TRW agree that because intelligence issues are so complicated, the staff exerts unusual influence with the members, a fact that inevitably strengthens the industry’s hand. According to Robert Kohler, a longtime CIA official who is now a vice president at TRW, in recent years direct contacts between contractors and Hill staffers have increased, further entrenching the lobbyists in the budget process. “There was a time when contractors were not allowed to talk to the committees, by those of us in the government,” says Kohler. “When I was working on this stuff, I would not have allowed one of my contractors in there. . . . Now, every contractor in the world goes down there and tells his story—and guess what? An awful lot of those stories don’t have to do with the national need.”

A small number of staffers, a tiny handful of lobbyists, plus a big bundle of PAC contributions and behind-the-scenes lobbying on programs

whose very existence is closed to the public—that is a formula for sustaining bloated intelligence spending well into the next century.

## FROM LOCKHEED WITH LOVE

A recent debate over spy satellites was indicative of the relationship between lobbying and budget-making. Although much of the story remains shrouded in secrecy, sources on Capitol Hill say the crux of the dispute was whether to begin building smaller surveillance satellites. For years, the intelligence community had been relying on “large-platform” satellites—30,000-pound behemoths that could carry extensive imagery and eavesdropping systems. Recently some staffers and experts had begun advocating investment in smaller satellites—in the 2,000- to 3,000-pound range—that were less expensive, easier to launch, and more maneuverable once in space.

Enter once again Lockheed Martin, the primary contractor for building the larger satellites. According to staffers on various oversight committees, Lockheed Martin lobbied heavily against the switch. “Right now, Lock-Mart’s kind of got the big satellite market sewn up, whereas if you are talking small satellites, all kinds of other people would like to build those puppies,” says John Pike. “You buy this stuff by the pound. And you’re going to be paying less money for a 2,000- or 3,000-pound small satellite than you are for one of these 30,000-pound Battlestar Galacticas.”

Making the case for Lockheed Martin was Norm Augustine, a longtime Washington insider. A confidant of CIA directors, secretaries of defense, and other officials, Augustine was actually mentioned as a possible successor to former CIA Director James Woolsey (himself an ex-director of Martin Marietta) who resigned in 1994. That move never panned out, but Augustine remains close with Deutch, who like Augustine began his career working for McNamara in the 1960s Pentagon.

Of course, it wasn’t just Augustine’s own cachet that got attention on Capitol Hill. Perhaps by coincidence—perhaps not—the districts with members of the House Permanent Select Committee on Intelligence overlay with almost artistic perfection on top of a map of states in which Lockheed Martin has facilities. More than half of the committee—10 out of 17 HPSCI members during 1995—come from the three states where Lockheed Martin has its largest concentrations of plants:



California (4 members, 27,600 Lockheed Martin workers), Texas (3 members, 19,500 workers), and Florida (3 members, 15,500 workers). Four other members come from states where Lockheed Martin has a very large presence: New Mexico, Colorado, New Jersey, and Pennsylvania.

And, finally, there is Newt Gingrich. Just outside Speaker Gingrich's district in suburban Atlanta, in the neighboring district of freshman Republican Bob Barr, is a huge Lockheed Martin plant employing some 12,500 people. Since the earliest days of his career, Gingrich has had a close relationship with Lockheed Martin—so close, in fact, that Lockheed Martin officials say they are worried his ties to the company may become a liability. "I would say that Newt Gingrich becoming speaker, and a very controversial one, was not helpful to Lockheed," says a Lockheed Martin source. "He becomes a lightning rod, and some people, particularly Democrats, would like to embarrass him, would like to cut off programs because of him. We wanted to downplay any relationship between the speaker and Lockheed."

But at the start of the 104th Congress, in January 1995, Gingrich took steps to insure that he would be in a position to defend Lockheed Martin and the intelligence-industrial complex. Breaking with tradition, Gingrich named himself as ex officio member of the HPSCI, thus ensuring that he and his staff would have more than a casual acquaintance with intelligence policy.

According to HPSCI staffers, Gingrich was not a passive player during 1995, often involving himself in the intricate details of the intelligence-community authorization process. Not only that, but since the HPSCI is a select committee, all of its members were handpicked by Gingrich, and they serve at his pleasure. (One demonstration of this power came in 1995, when Gingrich threatened to remove HPSCI Chairman Larry Combest, a Texas Republican, from the committee leadership because of a dispute over agricultural policy.) Sources close to Gingrich say that he chose members who would favor increased intelligence spending and, by including members from the Appropriations and National Security Committees, helped grease the wheels under the budget for the spy community.

Over the years, Gingrich has benefited from the

financial support of Lockheed Martin. During the 1993-94 election cycle, Lockheed gave Gingrich the \$10,000 maximum allowed, and Martin Marietta kicked in another \$2,000. In addition, Lockheed contributed \$10,000 to the Progress and Freedom Foundation, the think tank that is closely identified with Gingrich and the Republican right.

(PACs from Hughes, Boeing, E-Systems, Rockwell, and other intelligence contractors have also contributed, though not as heavily, to Gingrich's campaigns.)

All of this conferred upon Augustine and Lockheed Martin tremendous clout in the satellite debate. In public testimony before the HPSCI Augustine declared that proponents of building smaller, lightweight satellite systems would have to wait. "Smallsats' certainly represent an intriguing new technology," he said, but "we should continue to work on existing systems so that we will have proven assets to fall back on should 'smallsats' or other new technologies need a lengthy, evolutionary process." Behind the scenes, sources at the HPSCI say, Augustine and Lockheed pushed harder, worrying that the switch was too much, too fast, and that the company would suffer financially from the change.

In the end, Lockheed's arguments carried the day. Congress and the NRO agreed that the smallsat option merited further study but that, for the moment, Lockheed Martin's large satellite construction would continue as planned. Gingrich's Solomon-like position satisfied Lockheed Martin's fondest desires without antagonizing less mighty players such as TRW and Rockwell, who could reasonably expect a share of the NRO appropriation somewhere down the line.

## BLACK BUDGET OR BLACK HOLE?

Former Senator Howard Metzenbaum, Democrat of Ohio, ruefully remembers his annual struggle to declassify intelligence spending and make the CIA budget a matter of public record. Like many others, he believes that the real reason that the intelligence community opposes declassification of the budget is that it would lead members of Congress, the media, and the public to question the amount being spent. "There was not really an attitude of cutting back, or holding down wasteful intelligence spending, even when there was strong evidence of waste, bad judgment, inefficiency," recalls

Nobody  
is asking: Do  
we need all  
this stuff?

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Metzenbaum. Members of the oversight committees were rarely interested in making cuts, he says.

Equally blunt is California's Democratic Congressman George Brown, a former member of the HPSCI who was dropped from the committee after mentioning the NRO—before the organization's existence was officially declassified and made public in 1992. The intelligence oversight committees "are scared out of their pants at the possibility of going against the intelligence community in an area where they could be accused of playing fast and loose with national security," says Brown. "You still have a very protective system, including the two committees."

**W**ith the congressional committees operating in secret, and with the powerful alliance of spy agencies and contractors in support of key programs, the Pentagon feels free to demand an ever higher level of intelligence flow. Rapid advances in intelligence technology have opened up nearly limitless possibilities for military commanders, and few people seem to be asking: Do we need all this stuff?

Compared to the grainy black-and-white photographs taken by U-2 spy planes in the 1960s, today's satellite intelligence is so vast, detailed, and nearly in real time that it would have been unimaginable to the generals who ran the Vietnam War. Even in the past decade, U.S. intelligence satellites have expanded their capabilities rapidly. During the 1980s, according to a paper by the Federation of American Scientists' John Pike, the intelligence budget soared from about \$18 billion in 1980 to a peak of \$35 billion around 1987. And, though the budget has fallen perhaps 20 percent since then, that investment created a Cold War system of satellites and ground stations that provides almost unheard-of intelligence capabilities.

Meanwhile, the principal target of the intelligence community, the Soviet Union, has evaporated. "At the end of the Cold War, the target system that we were collecting against has gone down by an order of magnitude, at the time that our collection capabilities have gone up by an order of magnitude," says Pike. "The collector-target ratio is about 100 times higher than it was during the end of the Cold War."

Defenders of the intelligence community say that the world is a more dangerous and complex place without the Soviet Union, and that America's

spies and spy satellites must follow rogue nations like North Korea and Iraq, along with villains like terrorists, drug traffickers, and weapons dealers. Like the Pentagon planners who say that the United States must rearm to fight two regional wars at once, regardless of how unlikely that might be, spy planners argue that the constellation of satellites must be redundant in order to be able to respond to two simultaneous world crises.

But Gary Sojka, a former Hill staffer who oversaw the NRO budget, thinks that argument is a smokescreen. During the Cold War, he says, the intelligence community was dealing with far more hot spots and troublesome villains than it is today, in addition to the added burden of watching Soviet missile silos, tank concentrations, and harbors. "One reason that intelligence budgets are secret is that it serves the purpose of the [NRO's] program managers," Sojka says. "If they weren't secret, people would ask why these spending levels could not be reduced. They have a sizable interest in keeping these budgets secret just to protect the amount of money they get."

Besides, excessive secrecy may also compromise strategic decisions about how to spend intelligence money—if not how much to spend in the first place. Steele, the former CIA clandestine-services officer, worries all the money on expensive surveillance equipment is misplaced: "We are spending way too much on technology and not enough on analysis and open sources," he says. "What has happened is that the industrial community is serving as an understudy, as a second layer to the intelligence community, to the point that it writes the statements of work for its own contracts," Steele fumes. "If you allow the contractor to write the statement of work, you are allowing the contractor to sell you whatever it is they can do, rather than meeting your needs. And that is happening every day throughout the intelligence community."

The good news is that as more stories of waste in the intelligence community leak out, political pressure for more accountability may ensue. One of the most disturbing revelations about the \$2 billion NRO slush fund, whose existence became public early this year, was that even Deutch neither knew of its existence nor had the power to control it. That drew the attention of the entire Congress, and one can only hope that impulse will carry over to the other protected projects of the intelligence-industrial complex. □

# HOW THE WEST IS WON

## ASTROTURF LOBBYING AND THE “WISE USE” MOVEMENT

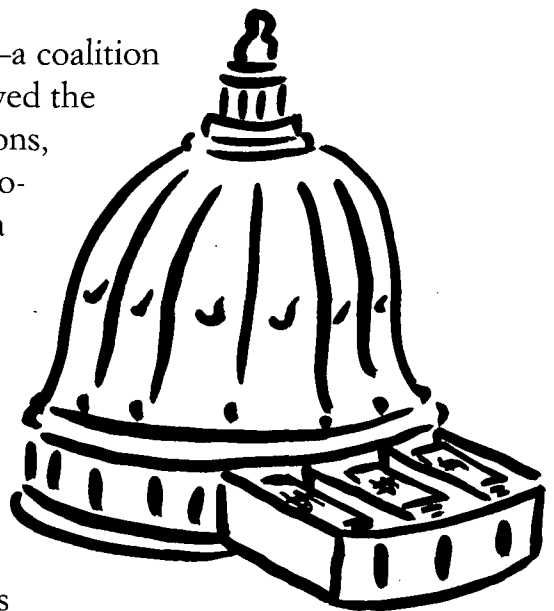
BY SAMANTHA SANCHEZ

**T**he term “wise use” comes from Gifford Pinchot, the first head of the U.S. Forest Service, who used it to describe the conservation movement. Pinchot chose words that implied balance, not to mention a fundamental concern for the well-being of the environment. Today Pinchot’s term has been turned on its head, appropriated by a corporate-sponsored campaign to roll back environmental protection in the West, where billions of dollars ride on decisions about the use of government-regulated property.

This is the story of how the “wise use” movement—a coalition of timber, mining, oil, and grazing interests—has skewed the debate over land use. It is a tale of political contributions, well-connected lobbyists, and, most important, corporate-financed grassroots organizing that has become a model for kindred political operatives around the country. This is also the story of how environmentalists in the state of Washington fended off development activists in one key battle, providing some hope that real strength at the grass roots may still be better than “astroturf” substitutes.

### REVENGE OF THE MARLBORO MAN

The public face of the development movement is the square-jawed individualism that recently graced the cover of *Time* magazine. It is a family version of the Marlboro Man—a movement that asks nothing more than to be left alone, free of meddlesome government regulation. The pitch sounds authentically American, rich with allusions to the spirit of the nation’s founding. Yet if you trace the development movement’s lineage, you’ll find its roots not in the revolutionary ferment of the 1770s but in the corporate resentment that was simmering two centuries later.



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American environmentalism had its breakthrough in the 1970s, the decade that witnessed not only the creation of the Environmental Protection Agency but also the enactment of such measures as the Clean Air and Clean Water Acts. At the state level and through the courts, environmentalists were also able to hold corporations more accountable for the pollution they created and to stop the overdevelopment of forests and wetlands. The movement's petition drives, ballot initiatives, and other forms of door-to-door campaigning were vital to its success.

Not surprisingly, environmental laws were particularly controversial in the West, where economic growth continued to depend on the development of natural resources: timber in Idaho, Oregon, and Washington; coal, oil, and minerals in Wyoming, Utah, Nevada, and Montana; grazing land and hydroelectric power throughout the region. Many residents saw the new laws as the work of elite eastern outsiders who didn't care about local prosperity; industry lobbyists saw the laws as a threat to profits. This opposition helped blunt the environmental charge, as did the arrival of the Reagan administration.

Still, even in the early Reagan years there was substantial political support for environmentalists, so development interests set about building an intellectual foundation to support a more sweeping rollback—an effort that worked through organizations like the American Legislative Exchange Council (ALEC). At universities across the country, a few conservative intellectuals like Richard Epstein were already making the theoretical case for more expansive interpretations of the Fifth Amendment, which protects citizens from government seizure of property. Groups such as ALEC, which received significant

funding from the Coors Foundation and various development interests, were instrumental in moving those ideas from the classroom to the legislatures, where the campaign for “property rights” gained steam. The staff wrote sample “takings laws”—

laws that require government to compensate owners whose profit potential was diminished by regulation—and forwarded them to sympathetic officials in federal and state government.

Industry-financed think tanks churned out op-eds and briefing papers to bolster the case. Once

dismissed as radically conservative, the takings laws began to gain legitimacy.

Of course all the intellectual currency in the world wasn't going to do any good if the voters perceived the takings laws and similar measures as attempts to poison the air and water, so the developers took a page from the environmentalists' playbook. In a series of articles for *Logging Management* magazine, strategist Ron Arnold proposed that the

developers put citizens, not corporate spokesman, at the front of the parade. “Give them the money,” Arnold advised resource companies at a meeting in 1988. “You stop defending yourselves, let them do it, and you get the hell out of the way. Because citizen's groups have credibility and industries don't.”

Today the legacy of those efforts is the network of activist anti-environmental organizations that litter the western political landscape. Although these groups typically rely on donations from resource companies and developers, they specialize in rallies, petition drives, even T-shirt and bumper-sticker campaigns—anything





that puts a workingman's face on the developers' profit motive. With innocuous, populist-sounding names, these organizations appeal directly to the economic frustration of blue-collar voters.

The appeal falls on receptive ears. Stories of environmentalist-inspired injunctions against logging and mining operations have been well publicized, making environmentalists a good scapegoat for slack times. The spotted owl ordeal left many timber workers in the Northwest frustrated with government intervention, particularly since attempts to limit the export of unmilled trees never got far. But is regulation really what's killing western jobs? More likely the real culprits are the forces that are fostering economic insecurity everywhere else in the country: globalization, technological advances, and reduced bargaining power of labor. (Weyerhaeuser, a leading timber company in Washington, gets 26 percent of its profits from exporting raw logs overseas.) Of course the corporate-financed anti-environmental groups don't dwell on questions about free trade, corporate profits, or executive salaries.

Typical of these organizations is People for the West!, which describes itself as "a grassroots campaign supporting western communities." The ongoing interest of these people is the preservation of an 1872 mining law that gives mining companies cheap access to mineral-rich public land. In 1992 about 96 percent of the organization's \$1.7 million budget came from corporate donors, led by NERCO Minerals, Cyprus Minerals, Chevron, and Hecla Mining, according to Audubon Society researchers. PFW!'s corporate members include such timber and power companies as Boise Cascade, Potlatch, and Pacific Power and Light; the group also includes cattlemen and woolgrowers associations, as well as mining interests. The chairman of PFW!, Bob Quick, is the national director of state legislative affairs for Asarco, a mining company.

While these groups don't exactly advertise their corporate sponsorship, their close relationship with development companies provides crucial access to workers. Companies have been known, for instance, to stuff payroll checks with propaganda inserts from anti-environmental groups. The Oregon Lands Coalition, a timber-dominated coalition, has used its newsletter to publish flyers

labeled "PAYROLL STUFFER" in bold typeface. In Montana, the Plum Creek timber company broke state election law by stuffing paycheck envelopes with a flyer urging workers to attend a rally against Representative Pat Williams, a Democrat who supports environmental causes. The offending item included some suggested slogans to put on placards: "No more Williams, wilderness or wolves," and "You'll need a job Pat."

The development activists have also reached out

to other conservatives, cementing an ideological alliance that those nice-sounding names tend to obscure. Ron Arnold and his boss, Alan Gottlieb, president and founder of the Center for Defense of Free Enterprise, are products of right-wing political circles, not the timber or construction industries. Both have ties to Reverend Moon's

Unification Church: Arnold was president of the Washington state chapter of Moon's American Freedom Coalition from 1989 through 1990, while Gottlieb was a director of the group. Gottlieb was also a board member of Young Americans for Freedom, national director of Youth Against McGovern, and a gun lobby leader who founded the Second Amendment Foundation and founded and chaired the Citizens Committee for the Right to Keep and Bear Arms.

## MINING FOR DOLLARS

Organizing and networking have not supplanted the more traditional means of influencing politics, namely giving money to campaigns through both individual donations and political action committee contributions. According to public records (compiled in part by the organization I work for, the Western States Center), political donations from developers are on the rise, providing an invisible—but very substantial—helping hand to the more public efforts at the grass roots.

In Oregon, pro-development money accounted for 14.7 percent of the money statewide candidates accepted in 1990; in 1994 that number grew to 16.4 percent, with the winners on average receiving 21 percent of their campaign cash from developers. Perhaps that fact helps explain why in 1995 the legislature proposed scores of bills that would weaken water quality or destroy environmental

The developers  
took a page from the  
environmentalists'  
playbook.

enforcement programs, passing several. Only Democratic Governor John Kitzhaber, who vetoed more than 50 bills in that session, stood in the developers' way.

**I**n Wyoming, development interests accounted for 26 percent of all campaign contributions in 1990 and 27 percent in 1992 (1994 figures are still unavailable), the highest of any state. In 1995 the state legislature passed a takings bill and voted to allow the dumping of nuclear waste inside the state. Polls showed that 70 to 80 percent of the voters opposed the latter, but four members of the conference committee that wrote the bill were beneficiaries of large industry donations. One of them, state Representative Jim Twiford, got three-quarters of his campaign money from the development-resource industry; two other representatives, Bob Peck and Eli Bebout, are founders of and major stockholders in the New Corporation, which according to the *Outdoor Council Legislative Report* is the only Wyoming company that has publicly expressed interest in the high-level radioactive-waste business.

Last year the Wyoming legislature also passed "audit privilege" legislation. Audit privilege laws, which have been introduced in 41 states, allow a company to audit its own environmental violations; in return, the state grants immunity from penalty and promises to keep information about violations confidential, even when the violations were intentional. The Wyoming bill limited polluter liability for lawsuits and took away citizens' rights to obtain information about pollution that may have harmed public health or property. How did the industry get such a plum? By writing it, of course. Greg Schaefer, a lobbyist for an ARCO subsidiary called the Thunder Basin Coal Company, took public credit for the bill when it was introduced to the legislature.

Such extensive industry involvement in the legislative process has become even more common since the Republicans swept into power. At the federal level, it is no coincidence that the anti-regulatory provisions of the legislation endorsed in the Contract with America were well suited to industry; their lobbyists had drafted much of the language. Those bills would have required federal agencies to use quantitative benefit-risk studies as the sole basis for evaluating regulations and would have provided a host of new opportunities for

industry interests to influence those evaluations and take the agencies to court.

At the state level it has been the same story. The Idaho Association of Commerce and Industry, which is part of the Idaho Private Property Coalition, was the prime mover behind an audit privilege bill. It was one of several in 1995 to pass the Idaho House, where legislators received 25 percent of their campaign money from resource companies and developers. Among the more notorious new laws were measures that weakened water-quality protection and created a \$1 million "constitutional defense fund" to be used by state officials in court cases asserting state control over federal natural resources. Bowing to the strength of the grazing lobby, legislators even passed a bill to grant grazing leases only to ranchers, in order to prevent environmentalists from buying up the leases first.

#### SHOWDOWN IN THE NORTHWEST

Given this history, it would be easy to write off the environment as just one more policy area hopelessly in the grasp of big money. But activists in the state of Washington proved otherwise over the last few years, as they took on the timber industry and other development interests in a series of high-profile political battles.

Like most other timber-rich states, Washington has been the scene of an ongoing dispute between logging companies and environmentalists. The timber companies, which have cut down trees faster than they can grow back, want the state to release more public lands for logging; if such access is not provided, they say they will need to lay off workers. Environmentalists oppose such measures, while calling on the state to slow down development with comprehensive land-use planning—a measure particularly troubling to the many timber companies that owned real estate subsidiaries.

When one environmental group, 1000 Friends of Washington, finally succeeded in putting a land-use measure on the ballot in 1990, the developers met the challenge. An alliance of corporate interests—not just timber companies but also such corporations as Boeing, Darigold, and U.S. West—spent nearly \$1.8 million on advertising and grassroots organizing to block the measure, which promised to affect both real estate and logging. Groups such as the Washington Contract Loggers Association organized rallies of angry timber workers; the American Pulpwood Association provided

public speaking and lobbying training to potential activists. Meanwhile, the development interests poured more than \$2.5 million into the campaign coffers of state legislature candidates; nearly 70 percent of that money went to eventual winners and much of it was directed at a group of 20 candidates particularly friendly to industry.

The industry coalition won their initiative fight, but ironically their failure to dislodge a Democratic legislature gave the environmentalists an opportunity to achieve through legislation what they could not through the ballot measure. Sure enough, the legislature adopted a growth management act while defeating four property rights bills—three dealing with wetlands and one takings measure—that had strong industry backing.

**B**ut the story does not end there. Heavy lobbying had already neutered some of the act's more ambitious provisions anyway: The *Seattle Post-Intelligencer* reported that developer pressure frightened the legislature into cutting \$4.5 million from the program's funding and stripping some key provisions. Now, the industry groups concentrated on organizing at the county level, where the planning would actually take place. Organizations such as the Snohomish County Property Rights Alliance began to crop up and make their presence known at local meetings. The Snohomish group billed itself as "a grassroots group concerned about environmental regulation" while taking money from construction interests, such as the Master Builders Association of King and Snohomish Counties. Jim Klauser, the director of Seattle Master Builders, became the alliance's director.

Against this backdrop, the developers increased their investment in state races for 1992—a total of \$3.2 million in contributions, up from the \$2.5 million in 1990. Again, the results were mixed. Thanks in part to a strong turnout for Bill Clinton's presidential bid, the developers' candidates lost several key races and only 36 percent of industry money ended up in the pockets of winners. Industry sponsorship had actually become a liability for some candidates. One such candidate was land commissioner hopeful Ann Anderson, a conservative

Republican legislator who had collected more than half a million dollars from various development interests. Eight timber companies alone gave her more money than any candidate for that office had ever collected. Anderson blanketed the state with

television and radio ads accusing her opponent, Jennifer Belcher, of being an "outright environmentalist." Yet despite outspending Belcher by a nearly three-to-one margin, Anderson lost, in no small part because Belcher convinced voters that Anderson's logging ties constituted a conflict of interest.

But despite these losses, the Republicans—and the developers—won a crucial victory in the

form of a new campaign finance initiative that imposed \$500 limits on campaign contributions. Although purportedly designed to limit the influence of big money on campaigns, the measure disproportionately affected candidates dependent on donations from organized labor. PACs in general were hard hit by the contribution limits, but those PACs with well-heeled contributors were able to make up the difference with individual contributions. Labor PACs, with tens of thousands of \$35 contributors, could not call on the rank and file to fill the gap. The new law also made it more difficult for labor to raise the money by payroll withholding.

Thus the new fundraising law helped lay the groundwork for the stunning Republican gains of 1994. Total labor contributions to campaigns fell 40 percent, while money from pro-development groups—most of them pro-Republican—increased slightly. Democrats, who once enjoyed a 16 percent funding advantage over Republicans, fell into a dead heat. With financial parity and Newt Gingrich's long coattails factored into the equation, the Washington House went from a 65-33 Democratic majority to a 60-38 Republican majority. Republican gains in the Senate brought them to within one vote of control (and because one Democratic senator was absent for health reasons during much of the 1995 session, the Senate was effectively split).

There was still Democratic Governor Michael Lowry with his veto, but the developers found a way around him. Earlier in the year a pro-development group, the Washington Property Protection Coalition, had tried unsuccessfully to put a takings

**H**ow did the  
developers get such  
plum legislation?  
By writing it,  
of course.

measure on the November ballot. But with friendlier faces in the state House, the group had another option—the citizen's initiative. Under Washington law, citizens can petition to send a measure directly to the state government where it needs only a majority approval from the legislature—not a signature by the governor—to become law. Although the measure had only 12,000 of the required 182,000 signatures a month before the deadline, industry groups—including the Building Industry Association, the Association of Realtors, and Plum Creek Timber—raised \$200,000 in three days and hired American Petition Consultants of California to run the signature-gathering effort.

The effort succeeded. The measure sailed through the Republican-dominated House, then passed the Senate with the support of several Democrats. On April 18, the toughest takings bill in the country became law in Washington.

### THE GREENS STRIKE BACK

Environmentalists countered with their own ballot initiative to bring the new takings law up for reconsideration. They pulled together a broad coalition that included the League of Women Voters, the Association of Washington Cities, and the Association of Washington Churches, as well as labor unions and environmentalists. In less than three months they managed to collect 231,122 signatures.

Once again, the builders, realtors, and timber industries opened their checkbooks. Altogether, development interests spent \$1.5 million, not including undocumented independent expenditures by the Republican Party, building associations, and the Farm Bureau. The Building Industry Association of Washington was the single largest contributor, spending \$212,959, but the national and state realtor PACs together contributed \$270,000. An assortment of timber companies, lead by Plum Creek, Simpson, Longview Fibre, and Boise Cascade came up with nearly \$244,000.

The developers' appeal, as before, targeted ordinary folks with anecdotes about how environmental regulations had eliminated jobs and destroyed personal assets. A centerpiece of the campaign was a story of an elderly couple, the Powells, who, according to the industry advertisements, owned some land but could not build on it or even walk on it, all because of a wetlands law. Environmentalists,

they said, were destroying their nest egg.

It would have been a sad story, except it wasn't true—and this time environmentalists were able to use that information as ammunition. Investigations by the environmentalist campaign showed that there were no building or walking restrictions over the Powells' land. As for the nest egg, it turned out the Powells had recently put their property—which they purchased years before for \$13,000—on the market for \$400,000. More digging produced contributor lists for the pro-takings law campaign. It demonstrated who really stood to gain from the takings law, and environmentalists hit hard on the \$300 million to \$900 million per year the measure would cost the taxpayers.

The muckraking helped energize the environmentalists. They organized an effective speakers bureau to engage the developers on the local level, blanketed events with volunteers and pamphlets, and raised money for advertising. Previous anti-regulatory actions had threatened to streamline and outsource government work—thus eliminating public-sector jobs. This allowed environmentalists to find common ground with the state's labor unions, thus undercutting the developers' would-be base of blue-collar workers. In the latest Washington battle, environmentalists and unions again joined forces.

On November 7, the voters of Washington voted down the takings law by a 60 percent to 40 percent vote. "The vote shows the state is not for sale," said Dee Frankforth, manager of the anti-takings campaign.

Whether this story offers hope for other progressive organizations frustrated by the hegemony of political money is, of course, a whole other question. Environmentalists represent perhaps the best organized movement in the left-liberal corner of the universe, with the possible exception of organized labor (which has surely seen better times but seems to be attempting a comeback). It might take a leap of faith to imagine activists toppling the corporate interests that have stalled national progress on such issues as education and health care. Yet it is instructive to see that an investment in grassroots organizing can pay dividends. Progressives could do worse than to take a closer look at how the Washington environmental movement took on big money and won. □



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# WE'LL TALK ABOUT THAT

## CAN LIBERALS DO TALK RADIO?

BY TOM DEVRIES

Welcome back to the Talk Radio story that challenges all that right-wing nonsense on the air!! Did you see that Rush Limbaugh now claims to have 20 million listeners to his daily show?!

I don't believe it! It's another one of Rush's tricks. Just not true. But say it's only 12 million! Shouldn't there be limits on how much power *one man*—who's never even been elected dogcatcher, who doesn't have to disclose a single thing about his finances—I mean, do you want this guy telling even 12 million Americans what to think?! We'll talk about that. And what about these radio stations that feed the public an unbroken stream of conservative hogwash?! Should they be free to make profits with your airways like this? I think maybe they should be required to be balanced. What do you think?

Give me a call.

And I really think we should talk about this!

What in the world is the matter with people who believe this crap? I mean, the Oklahoma City Federal Building blown up deliberately by federal agents?! Bill and Hillary ordering the murder of Vince Foster?! Secret black helicopters?!!!

What's wrong with these people?

We'll talk about that.

**I**n talk radio, it's called a "churn," or sometimes "the monologue,"—a teasing free-form poem designed by a talk show host to get the juices and phone calls going. It's a pudding of wisecracks, tidbits, and irritations.

Maybe someday the Internet will be the medium, but right now the interactive communications tool of choice is radio: not right-wing conservative, conspiracy-mouthing, ranting, ex-felon-host talk radio—but the whole rich range of news, news talk, medical advice, faux shrinks, arrested-development sports blather, politics, computer and car chat, and general venting.

Cheap, low-tech, free, democratic, mostly AM radio is ground zero of the political discussion explosion. From the point of view of millions of Americans trapped in their cars for hours each day, it is the alternative to brain death. For many owners of AM radio stations, it is turning business disaster into profits. For some hosts it is big-time money, fame, and influence instead of small-market obscurity and a second job. For the ongoing American dialogue, on the other hand, well, it may not be what Rush calls "a thing of beauty." For the public, the body politic, the electorate, talk radio is doing for the quality of information what tabloid TV did to TV news. Too bad.



*"I never listen to these guys. I read about them in the papers."*

—a Washington politician on talk show hosts

**T**he problem for politically progressive Americans is why the airwaves seem to have filled up with Rush and G. Gordon Liddy and Oliver North and Ken Hamblin ("The Black Avenger") and all the rest of the right-wing wackos (as Los Angeles-based host Tom Leykis likes to call them; he points out he isn't one himself). Does this medium just happen to attract angry white men? Do liberals, who excel at sitcoms, feature films, rock and roll, and a great deal else in the popular culture, have some odd blockage when it comes to talk radio? Or is this the voice of the true America?

But is there a problem, really? Not according to many in the radio business who contend that this is more entertainment than politics.

"One, the premise is false," according to radio consultant Walt Sabo, impatience rising in his voice. "Throughout history, to this day, many of the local talk show hosts are liberal. In fact most are." He lists some of them: Jerry Williams in Boston ("a proud liberal"); Lynn Samuels at WABC in New York; Ed Koch at KABC ("the biggest liberal of all"); Ronn Owens in San Francisco. "There isn't any lock. There's Rush, who is doing very well, and a couple of others. But most of the successes in local talk—Los Angeles, New York, Boston, Miami, San Francisco—are liberals."

Sabo, a deity in the eyes of radio station managers, has been asked about conservative domina-

tion of Talk many times and he is annoyed, in a practiced sort of way. I'm slightly intimidated by his tone and back off. He's acting like a talk show host and it works. He's in control.

Chris Lydon on Boston's WBUR is one of those liberals with a show. Relax, he advises liberals. "You have to understand that Rush Limbaugh is humor. It's in this venerable line of American political humor from Mark Twain, Will Rodgers, Lenny Bruce, Mort Sahl. Most of them on the left. It's 'Look at what these damn fool politicians are doing now!' It's just entertainment." You have to think like radio people. Walt Sabo's quick list of cities with big liberal mouths—Los Angeles, New York, and so on—to a broadcaster is a sample of the major American media markets, pretty much the only places they care about.

Get on the air in LA and forget the 65 podunks out there in rectangular states. Total audience, fella. In this view, broadcasters are really no different than politicians counting votes. From an advertising sales point of view, getting Los Angeles, New York, and Miami is like winning California, Texas, and the Northeast. Add up enough victories in big states and you can forget most of the flyover ones.

In his book *The Way Things Ought To Be*, Limbaugh says that when he was making the move from Podunk—Sacramento, in his case—to a national show in 1987, he put the deal with ABC together only by agreeing to do a two-hour New York local show, for free, and only then ABC threw in the support for the two-hour national program feed that followed. "It is just a fact," Limbaugh writes in his autobiography, "that national advertisers and their agencies will not consider advertising in a show which is not aired in the nation's largest market." Rush Limbaugh got on the air because programmers and time buyers in Manhattan—most of them liberal Democrats, I'll bet—decided to put him there. The problem, if you will—saturation of the radio waves by Rush Limbaugh—was created by buck-chasing New Yorkers. This at least is what radio people, to the last man, say. Rush and Oliver and G. Gordon, on the air, coast to coast, day and night is not politics, they say, just good business.

**R**onn Owens, one of Walt Sabo's "liberals," is the king of talk radio in San Francisco. He rules the nine-to-noon shift on KGO, the market's top-rated radio station; he narrowly beats Rush Limbaugh in the time slot. "It's tight. He

destroys me in men and I destroy him in women.” Radio talk again, but in the ratings books Owens gets more highly desirable 25- to 54-year-old ears, largely by beating Limbaugh two to one among women listeners. Owens knows these figures like you know your ZIP code, and he thinks constantly about how to organize his show to massage them. When he talks about what works on talk radio, it is an expert opinion. “You’re asking me, why aren’t there any liberals on talk radio? The main reason, without question, I’m going to tell you, is that they’re not entertaining.”

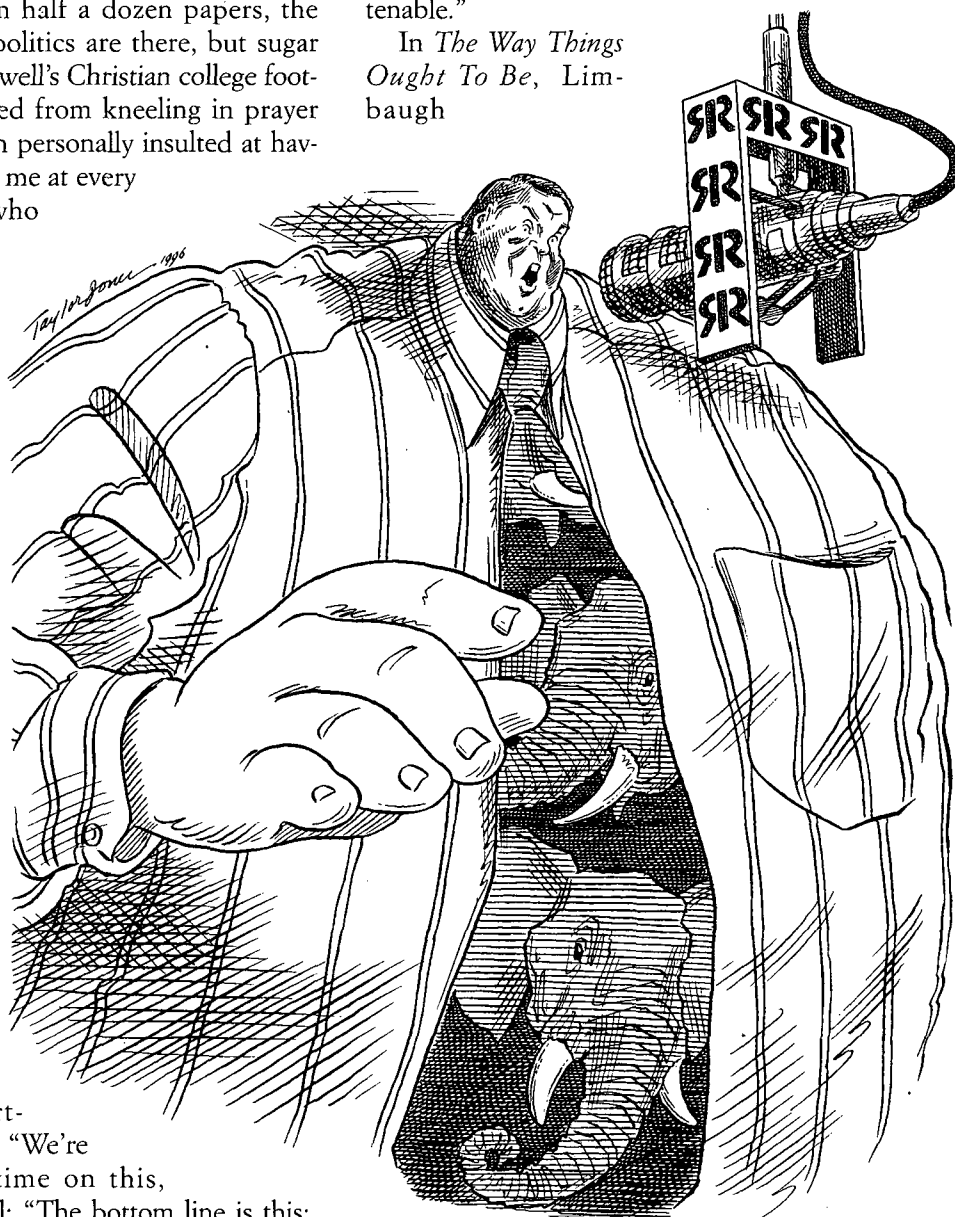
Owens’s churn is a ten-minute mix of current news items drawn from half a dozen papers, the wires, and CNN. The politics are there, but sugar coated. Should Jerry Falwell’s Christian college football players be prevented from kneeling in prayer after a touchdown? “I’m personally insulted at having religion forced upon me at every turn, including those who peddle it at my front door,” he says on the air. Off-mike he says, “There’s got to be a little bit of baiting, if you’re going to do a successful talk show.”

More churn: A black man is petitioning to change his name to Mister Radical Adid Super Nigger. Owens is vastly amused. He mentions Devine Brown, Hugh Grant’s date, and her brief celebrity, and a bill to require medical insurance to pay for up to 48 hours in the hospital after the birth of a baby. Mark Fuhrman and the Los Angeles Police Department are low on the list. “We’re spending too much time on this, folks.” The abortion pill: “The bottom line is this: It’s a woman’s body. She can do what she wants.” A

news story claims that someone has animated the letters S-E-X into *The Lion King*.

In the San Francisco environment, Owens is moderate; nationally, Sabo is probably right calling him liberal and his stripe becomes even clearer if you’ve listened to him for many hours, as I have. Owens insists he has “no political ideology.” This allows him the latitude to be flip and funny on the air, to be entertaining. This, he says, is the key to his success and, by the way, to Rush Limbaugh’s. “By and large liberals tend to be very, very serious, very self-righteous, very little self-deprecating humor. The result is they come off dry and unlistenable.”

In *The Way Things Ought To Be*, Limbaugh



writes, "The fact is that there aren't too many funny liberals out there, save for most comedians. Most liberals are too busy mired in misery and hand-wringing and doing what they can to spread it."

Owens adds: "It is easier to be entertaining when you don't have crocodile tears to be shed all the time, where you feel every hurt, and you're just barely politically correct. It's very hard to be entertaining when you're in that little box."

Owens says the current fad among talk programmers is "you have to be confrontational, you have to be excessive, that you have to take really extreme points of view to generate the kind of calls that they want." Be Howard Stern, in other words. It is a complaint I've heard from other hosts. Owens, on top of the ratings, can do what he wants. When he hangs up on a caller he is more or less polite about it.

During his show, between traffic reports and commercials, Owens chats with callers—about a dozen calls an hour. He is personable and informal, a neighbor. The talk is of sex, religion, politics, abortion, and race, the subjects that were and are considered dangerous and impolite in the home I grew up in and that still cause fights at dinner tables and bars and offices around America. A "born-again Christian" calls Jerry Falwell a "lunatic right-wing crackpot." Timothy from San Jose calls to say he has just gone all the way through *The Lion King* and located S-E-X, "when Simba is being chased by three hyenas and jumps off a cliff and rolls down a hill. As he appears from the other side of a rock it's right there [S-E-X], in the dust." I'm actually charmed to learn that the story is true.

A nurse from Santa Cruz talks about "corporate greed" and the California assemblywoman sponsoring the 48-hour hospital stay for new moms calls in to talk to Owens about it. She's extremely earnest and boring. A missed chance for her to win hearts.

"The problem with people who take talk radio too seriously," says Owens, "is that they [think] somehow that it should replace newspapers or magazines. . . . I don't have any high purpose. I do a good, entertaining, positive show. I'm not changing the world."



*ABC didn't fire me. Mickey Mouse did.*

—Jim Hightower, former talk show host

**T**he ax came down on Jim Hightower last September 5, shortly after he pointed out, on the air, that Michael Eisner's salary was \$78,000 an hour and then aired a skit in which Mickey Mouse sang "I'd love to own the world." Eisner runs Disney. Disney was about to own ABC. And ABC was Hightower's employer and syndicator of his radio talk show.

The whole business proves to Hightower that under present circumstances of ownership, there may be room on talk radio for "liberals"—he says there are lots of them, and holds them in disdain—but for populists, voices that would stretch the political imagination, broadcasters have zero tolerance. "The media conglomerates aren't necessarily conservative, or the people who run them aren't. They're liberals. They take delight in talk about immigration, abortion, and welfare, but they don't want you to talk about Big Money. That's too close to home."

"The debate, the national discussion, is so narrow! It's an embarrassment. It's between the wacko right and corporate centrism," he adds. Hightower, a Texan with a background in elected office and journalistic hell-raising, broadcast on ABC for two years from a studio in Austin taking calls on 1-800-AGITATE. He called his work "investigative radio" and he pressed listeners to "track power and follow money." In the national Babel, at least the parts of the tower where Hightower's show aired, he stood out.

"The political spectrum in this country is not right to left, but top to bottom," he says. Clinton is a "corporate centrist," Gingrich "just another political whore."

"I was rallying people to stand up against global greed-heads who are running away with our country and our money and our environment. Mickey [Mouse, that is, Disney/ABC] didn't like that. What other reason could there be [to be fired]?"

### **Put Hightower on hold there, Leslie. Get ABC's Frank Raphael on the line.**

"I take sole credit for the decision to fire Hightower." Frank Raphael is vice president for programming at ABC Radio. Were Hightower's politics the reason? Raphael says no. "The reason was audiences were precipitously declining. We lost Los Angeles, Minneapolis. . . ."

Hightower's business manager, Rae Briggs,



admits the show lost markets: "San Diego, Milwaukee, a couple of others." But she also says, "The devil with Frank Raphael. He's just wrong. I personally do not blame Frank Raphael. I rather like him. But he's a company man." She says ABC was pressing Hightower to do a different act, "a more raw discourse. 'Just get on the air and shout.' Well, Hightower is a southern gentleman. He's not a shouter." It is the same complaint—be more confrontational—I hear from other hosts.

Just business, says the ABC man. "He [Hightower] was not entertaining. He was dogmatic. His passion and humor, that I know to be present, didn't come over."

Turn down the radio, let the argument continue. In brief, Hightower says "did so," and Raphael, "did not." It is true that Jim Hightower, a warm, very funny man, seems to lose his sense of humor when discussing this subject, and Raphael, a widely admired and liked corporate executive, cannot possibly be taken seriously when he claims to have pulled Hightower's plug without a look over his shoulder.

Into the Hightower slot Raphael programmed a San Francisco liberal named Bernie Ward. "I look for people who primarily are entertaining, who have a unique intelligence and passion, regardless of political persuasion or stripe. This is radio, not politics." Ward adds, "They tell me to be funnier, which is really tough."

**Okay, dear bleeding hearts, we're back! Ever wonder who you are? The collective you, out there in listener land? All Ditto Heads? All Angry White Men? Not by a long shot. Grab hold of the steering wheel. I think you're going to be surprised.**

In the summer of 1995, Adams Research of Arlington, Virginia polled 3,000 listeners to political talk radio. The results were used to promote the launch of *Talk Daily*, Adams's fax newsletter. Adams found that nearly half the adults in the country tune in to political talk at least occasionally; one in six seem to be regulars. And they're not all angry men—40 percent are women, and male

and female regulars alike are better educated, more affluent (30 percent earn more than \$60,000 a year), and are dramatically more engaged in the political process than the average American. A full 90 percent—90 percent!—are registered to vote. Twenty-three percent of them told *Talk Daily* they were Democrats, 39 percent Independents or "other." This is a population of millions of Americans no political person should ignore.

But what about the information, the propaganda, the agit-prop they're being fed? How important do the regulars find the political information on talk radio? "Very important," 33 percent; "moderately," 34 percent; "slightly," 20 percent; "not at all," 13 percent.

We've slipped into poll hell here, of course.

Important is not the same thing as convincing. I, for example, find the political information on Talk "very important," but that's because I'm intrigued that someone could actually say the Oklahoma Federal Building was deliberately blown up by federal agents and not be hauled off to the farm . . . or lynched by the good people of Oklahoma City. I find Talk very important because it's C-Span from outside the Beltway, CNN with feedback. And a hell of a lot

more stimulating while I'm driving than Great Hits from the Sixties. Do I believe everything I hear? No. Does anybody you know?

And who are these millions listening to? Rush. Rush is the Frank Sinatra, the Beatles, of political Talk. Thirty-seven percent of the regulars in the survey group tune in to Limbaugh, nearly four times the numbers of second-place G. Gordon Liddy. The top nine political talk hosts reach 60 percent of the daily audience. Of the nine, only two—LA's great Michael Jackson, and Tom Leykis who has a national show—are considered liberals by *Talk Daily*.

**Hello again from your Host. How you doing out there so far? Tough to be a liberal, isn't it? Turn on the radio and there's Ken Hamblin, who actually calls himself "the last colored man in America," calling you "egg-sucking, liberal socialist dogs." Young Mikey Reagan has a national talk show, for**

**L**iberals should start talking like outsiders, because face it—that's what they are.

**God's sake. So does Oliver North, who should be in prison, and G. Gordon Liddy, who was. We've got a president who even we can barely stomach, a Congress that won't return our phone calls, Democratic governors are hard to find, and now you can't turn on the radio without being insulted.**

**Worst of all, everywhere you go, there's Rush. We'll talk about that.**

Take a look at the numbers, courtesy of John Switzer's terrific "Unofficial Rush Limbaugh" web site. Rush is on 660 radio affiliates (with more than 20 million listeners weekly worldwide), 210 television affiliates (with a national rating of 3.7), and his newsletter has more than 500,000 subscribers.

Rush has a larger audience than any elected politician in America, and many of those listeners are proud to call themselves Ditto Heads, of all things. It gives Limbaugh a kind of political power, the ability to generate phone calls or turn out troops that seems unique, not only now, but in modern history.

Hard as it may be to swallow, Rush—this whiney, rude, baiting, one-name, one-note Newt sycophant—has earned the ear of millions of Americans because they enjoy listening to him, not because he is being forced on them by right-wing jerks who own the airwaves. He is a gifted entertainer, and broadcasters—even some who hate his politics—argue it is his talent as much as, or more than, his convictions that make Rush Limbaugh the phenom he is. Too bad for us he didn't learn how to sing. Or juggle. Or paint. Something—anything!—other than Talk.



*Talk radio is an anti-Clinton medium. And it was needed, let's face it.*

—Christopher Lydon, Boston talk show host

**P**ut yourself in the mind of an honest conservative in 1992, Chris Lydon suggests. America, no fault of yours, has elected a smart, charming Arkansas jerk with a string of girlfriends, weird financial deals, and an arrogant, dissembling wife. The elite media—not to say "liberal" media—is saying "Gennifer Flowers is no big

deal, Roosevelt and Kennedy had mistresses," and Whitewater is not worth space in the paper. The "elite media," says Lydon, who used to be part of it, "ignored fundamental problems with Clinton, and with his wife, even after it hit the fan."

Lydon, based on listening to his own callers, says "people are wildly hungry for a general conversation in the media that doesn't talk down to them, which even the newspapers do." Talk, he says, "is a wonderful democratic medium." Limbaugh "is very, very good, very clever. I don't think it's a perilous thing. I know people who thought when Rush came on, 'Oh, here come the Brown Shirts.' It's just not."

Radio consultant Walt Sabo accuses liberals of "profound and dangerous arrogance" in their obsession and fear of Limbaugh. "Rush is successful not because he's conservative. If conservatism alone got ratings, George Bush would have gotten a 40 share and been reelected. Liberals think there's some kind of Vulcan Mind Meld going on. 'Yes, we will do what Rush says. We will do what Rush says.' Well, so what? It's not happening, but if it does, this is America!"

Sabo argues that the good liberal on the radio can cut it. He cites Jim Phillips, who gets incredible 12-plus ratings in Orlando, a stronghold of the religious right, while advocating legal marijuana and so on. In spite of his politics, "he's simply entertaining to the people of Orlando," Sabo says. Sabo may be right. You must know some politically correct women who buy Rolling Stones records, overlooking the band's legendary and lyrical misogyny?

Ask the shrink, Dr. Laura Schlessinger, who has 250 U.S. stations taking her daily advice call-in show. "He [Rush] is responding emotionally and his listeners respond back. . . . What he has to say and how he says it reinforced what people were thinking. It made them feel they had a home, a voice, a representative for their way of thinking. It's very important, like finding a church or synagogue." Dr. Laura isn't a Ditto Head; she's not even exactly a supporter. She says she rarely agrees with what Rush has to say. But when I seem to deprecate Rush's audience, she snaps at me: "They are not fringe. That's insulting. They are mainstream."

If you prefer not to appreciate him, there are also ways to get to Rush, of course. One day I heard him absolutely cowed by some guy talking about the environment. It was quite startling. The caller was running the basic liberal line about the threats to life, health, and various species, and the

---

Great Mouth, who usually talks about eco-Nazis, Tree Huggers and so forth, was essentially shut. I hadn't ever heard anybody control Rush before. After a commercial break, when the caller was off the line, Limbaugh admitted it had been one of the Kennedy boys. Apparently Rush, like the rest of his generation, is impressed by the Kennedys.

Rush also makes mistakes. Anybody who talks off the cuff, in public, three or four hours a day, is going to muff it once in a while, even the Great Ditto Master. But Rush is as thin skinned as any politician about having his slips pointed out. He was fact-checked two summers ago by his enemies at Fairness and Accuracy in Reporting (FAIR), which found so many assertions to challenge they called it a "reign of error." (You can buy FAIR's book, *The Way Things Aren't*, from FAIR or sample it on the Web.)

Limbaugh typed back, also on the Web, with thousands of defensive words, a rabbinical battle over the style and history of feminism, the acts of Hillary and Bill, the state of the world environment, the efficacy of condoms, and so on. Rush is as easily wounded as a schoolyard bully. And not a few think Rush will tire his audience. "After a while the act wears thin," says Ronn Owens of San Francisco. "There's no real variety in the program. You know exactly what he's going to say every single day."

**Welcome back to the Progressive Broadcasting Network, the voice of common sense for the common person. The radio talk show intended to cast light, not spread darkness. The place for reason, not dogma. The spot to square the record with the Fruitcake Right. The site where we goose the liberal pretender from Hope. Can't stomach Newt and can't swallow Bill?**

**Give us a call.**

The radio guys counsel optimism. A progressive can make it on the radio. Broadcasters will put the devil herself on the air if she can make a buck. Why do you think Howard Stern has a job? Because he's likable, because broadcasters love what he says? If a person of progressive politics can pull the numbers, he'll stay on the radio. The people who promoted, supported, and defended Gangsta Rap will put a pedophile on the air, and

come up with a story of why it's a good idea.

But bland and boring is out the door before the fall ratings book.

So what, finally, to do?

**R**ule One: Talk radio is an entertainment medium—and a profit-making one. The people who run mass media expect it to stay that way. So progressives have to be interesting to get on the air, and they have to value amusement as an end in itself. *Car Talk*, the fabulous Saturday show from Boston, "is not an auto repair show," says stablemate Chris Lydon. "It's a humor show." Listen very hard, and you will hear progressive politics in *Car Talk*, a conviction that the automakers will screw the unwary consumer. But the hilarious tone is a far cry from Ralph Nader.

Norman Lear made *All In the Family* a great show; good politics were there, but they came second. Electronic media communicate largely on emotional terms; that's one of the ways it differs from print. Being nice, getting along, is emotionally flat, bad politics, and bad radio. "Liberals won't go for the jugular," says Michael Krasney, a talk show host who will. Fear of offending—anyone, ever—got us where we are today, and is played out as a political stance.

**Rule Two: Don't obsess about talk radio—learn from it.** Talk radio is just one outlet among many in the popular culture. It happens to attract more than its share of conservatives, especially cultural conservatives who are white and male. But other realms of the popular culture—Hollywood, popular music, and sitcom and talk show TV to name just four, are culturally liberal. They make fun of big shots, break icons, and preach general rebellion, albeit rebellion of an individualist sort.

The trouble, however, is that culturally left doesn't add up to politically left. Worse, in fact, it mainly energizes the political right, which demonizes Hollywood and pop music. The talk radio guys like Limbaugh, meanwhile, appropriate the cultural backlash for fairly ordinary political conservatism. It's not at all clear that this adds up to a conservative revolution, but it does mean that the right is better than the left at translating free-floating populist discontent into politics. In that respect, talk radio, far more than polling and focus groups, could be a handy reality check for liberals who spend too much time talking to each other. It would be a sign of political recovery if more liber-

als could score with an AM talk radio audience.

**Rule Three: We lost, they won.** But the right is superb at pretending—believing—that they're still the outsiders, arrayed against an all-powerful liberal establishment. Though the media gives vent to outrageously avant-garde notions of sexuality, rebellion, violence, in the talk shows and the sitcoms its corporate ownership structure is safely conservative. So liberals lose both ways: The apparent cultural radicalism fuels conservative anger about femi-Nazis taking over, and gives the right a populist, insurgent outsider aura—while business runs the country. Ordinary folks who resent that status quo find their gut-anger articulated by conservative populists, not liberal ones.

**L**iberals should start talking like outsiders, because face it—that's what they are. And that's also better radio. It's simply not interesting radio to hear the winner (the right) complaining all the time. The winners can hardly whine about what the rulers are doing . . . because their friends are in charge now. There is an opening here, and the guys who run radio know it. One hears around that even the man who discovered Rush is looking for a good Lefty to put on.

Let's face it: Old-fashioned liberalism isn't selling in the present packaging. The packaging lost us control of the hearts and minds of the voters, and then of the government. Why would it work on the radio?

If you consider everything from bumper stickers to T-shirts to the Internet, we are awash in information. Much of it is raw, and talk radio is part of the angry, inchoate noise. It is certainly accessible and democratic, which is not true of most mass communication tools. It is one place where the sound bites are getting longer, not shorter. It is not unduly influenced by City Hall, not inside the Beltway, and it takes politics seriously, though not politicians. So liberals ought to give it a try.

**Rule Four: Everything is harder than it looks.** When Jerry Brown decided to be a talk show host, Michael Krasney says Jerry called for advice. "I told him to be funny, and to listen well," Krasney told me. A moment later, we both started to laugh. Jerry Brown can do neither. The right worked really hard to take over America. Talk show hosts are generally talented to begin with, and work hard on top of that. Nobody—nobody—is giving anything away these days. Not control of Congress, not talk show jobs. Jerry's show, of course, failed. □

# ANIMAL HOUSE MEETS CHURCH LADY

by Paul Safier

**Y**ou have to wonder whether the apostles of the conservative movement, the self-anointed champions of public morality, read their own press.

In May 1995, the *American Spectator* ran an article by senior editor P.J. O'Rourke entitled "Why the GOP Doesn't Suck," which defined the Republican Party as the natural home of the frat-boy mentality. "The thing I like about Republicans," he wrote, "is that they're no damn good at all. I know, I'm one of them. A Republican just wants to get rich, buy ocean-front property, dump the old wife and get a new blond one."

Meanwhile, the media organs of the right were busy heralding smoking—and all the defiant, Brando-esque images it conjures up—as the essence of the conservative personality. Even the unapologetically highbrow journal *Commentary* succumbed to Joe Camel posturing: In the same pages where Gertrude Himmelfarb argued that a restoration of Victorian-style social pressures is necessary to restore civic order, neocon Peter Berger celebrated smoking on the grounds that an anti-smoking New Class has bullied us into conformity at the expense of the rugged moral autonomy that once defined American society.

In the fall of 1995 the *National Review* advertised its 40th Anniversary Cruise, gleeful-



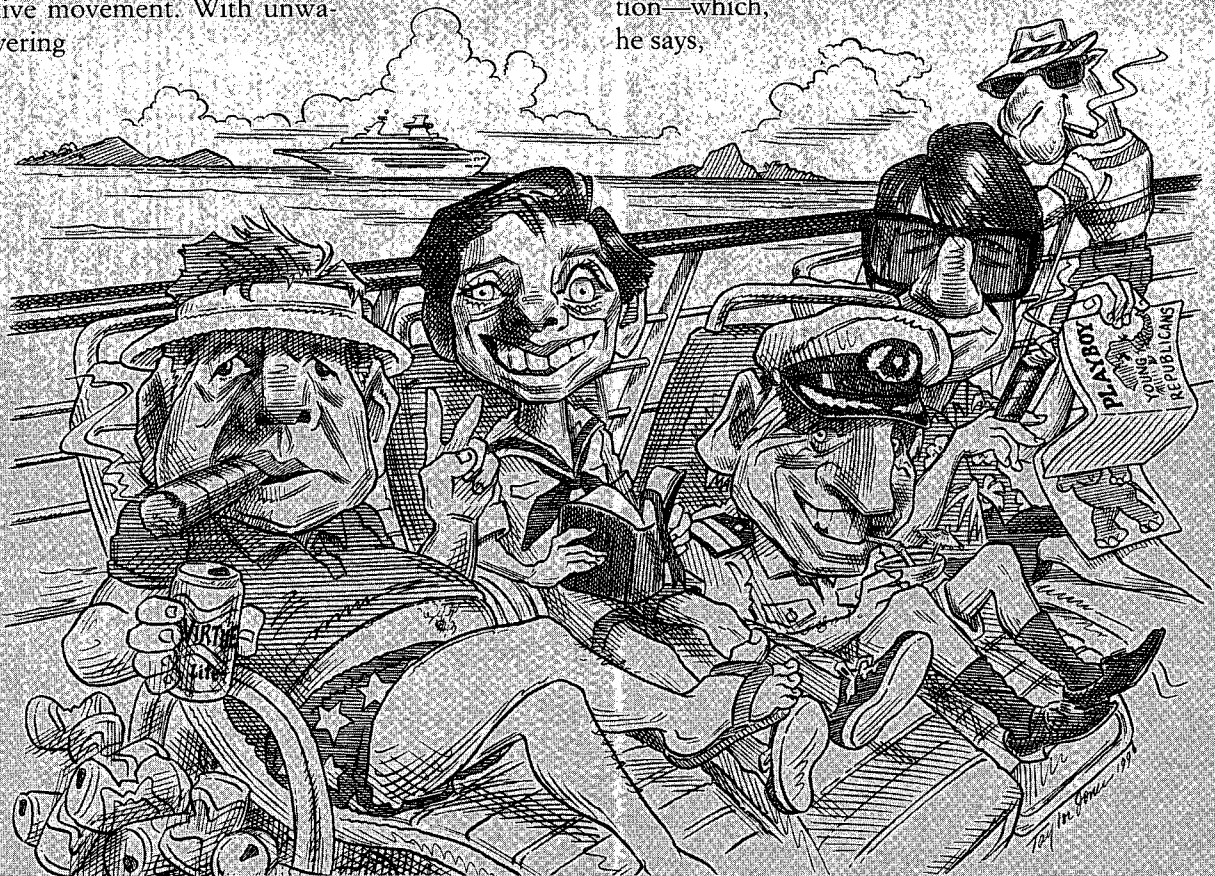
ly announcing that the cruise was “Ruled ‘Politically Incorrect’ by the FDA” and bragging about its “three cocktail bashes” and “two smokers” (cigar smoking fests). Then it pointed out that guests needn’t worry about running into heathen like Arlen Specter, who presumably wouldn’t feel comfortable among such pious guests as Ralph Reed and Judge Robert Bork. The cruise, the ad implied, would provide a welcome respite from both the left’s repressive moralizing (represented here by the FDA) and its offensive amorality (here depicted by Arlen Specter, whose stubborn insistence on the separation of church and state places him solidly outside the pale).

This, say the good people at the *National Review*, is what a world without liberals would look like: spring break in Fort Lauderdale, only with church.

**T**hese are not isolated examples; indeed, they are indicative of an inconsistency at the heart of the modern conservative movement. With unwavering

self-congratulation, conservatives increasingly present themselves as courageously puritanical and courageously antipuritanical—the answer both to the permissiveness of the “anything goes” left and to the prudishness of political correctness. Perhaps no one better embodies this pose than the brash Rush Limbaugh, who happens to be good pals with William Bennett, of the lofty *Book of Virtues*.

The same conservative intellectuals who bemoan our culture’s general decline in manners and good taste embrace Limbaugh and even celebrate his crassness as the very essence of his charm. A 1993 *National Review* profile by James Bowman (now media critic for the *New Criterion*) unflinchingly anoints Limbaugh “The Leader of the Opposition,” the natural heir to the Reagan legacy. Bowman even goes so far as to lament that Limbaugh’s celebrity has forced him to tone down some of his “irreverence” and “spontaneity,” causing him to abandon such antics as the “caller abortion”—the sound of a vacuum cleaner and woman’s scream in lieu of a normal call termination—which, he says,





"was in splendidly awful taste."

Limbaugh has made an entire career of having it both ways—and, for the most part, thriving as a result. On the one hand, he is always adding his voice to the familiar refrain about family values and the proper role of religion in public life, condemning liberals for losing touch with mainstream America. "Liberals excuse bad behavior. They rationalize it," he explains in his ghostwritten best-seller *See, I Told You So*. But Limbaugh is just as quick to portray himself as a victim of liberal prudishness, as yet another American who's had to suffer because some "femi-Nazi" just can't take a joke. The conflict becomes apparent every time he tells a dirty joke, then ducks sheepishly behind his hands as if deflecting blows, while the camera pans an audience full of men clapping excitedly and women shaking their heads in dutiful but halfhearted condemnation. (A typical example was his joke last year that Clinton's presidential motto should be "Speak softly and carry a big stiffie.")

These sudden shifts from boyish offensiveness to pious self-righteousness account for the almost exhilarating confusion Limbaugh's performances generate. The impropriety never quite becomes a threat to moral decency because everyone knows Limbaugh stands for moral decency; his sermonizing about moral decency never quite becomes heavy-handed moralizing because everyone knows he's all for having a good time. By never quite saying when he's kidding and when he's not, Limbaugh manages to sustain the "guilty pleasure" indefinitely. He gets to dangle courageously at both extremes, but with a built-in safety net—speaking passionately in the name of our shamed and forgotten moral truths (but without coming on too strong), while delighting in his own heresies (but without seeming like, well, a heretic).

**F**or sure, Limbaugh is not the first public figure to embrace competing philosophical themes. But this stance hints at some of the hidden meanings of the right's culture wars. What conservatives demand, in point of fact, is not that so-called "traditional morality" always be strictly

observed (although there are certainly a few within the movement who wish it were). They ask that the ultimate authority of those traditions not be called into question, that one's excursions from the moral center—while accepted, even celebrated—not be granted any final or lasting legitimacy.

That is why Rush Limbaugh is not on that infamous slippery slope from "Question Authority" to child-killer Susan Smith. That is why the jocular, politically incorrect amorality of a P.J. O'Rourke is not a threat to "civic order," even though Hollywood sex is. By virtue of its inevitable association with conservatism's more pious side, the right's bad-boy streak gets excused with a wink. The limits to the right's defiance are always implicitly understood, or at least supposed to be. When it gets out of hand—as, perhaps, it did around the Oklahoma City bombing—conservatives profess shock, apparently wondering how anybody could possibly have taken their words so seriously.

The fact of the matter is that, despite their posturing at either extreme, conservatives have no real interest in being serious about their traditionalism or their iconoclasm. Both poses, if genuine, would get in the way of the easy complacency of the frat-boy way of life. In their hands, traditional piety is turned into simple recitation, a merely perfunctory nod to conventional wisdom, while going against the grain becomes nothing more than harmless childishness. Instead of a sincere and committed conversation about values, they want a public square filled with *Book of Virtues*-style platitudes, pithy moralisms that are shielded both from debate and from any contact with actual life. In a public square like this, there is no difference between a Mother Theresa and a William Bennett or between the genuine transgressing of social norms and the madcap antics of the guys over at the Chi Psi lodge.

Conservatives claim that they stand for an ethic of freedom wedded to responsibility. But what they're really asking for is a perpetual moral adolescence—a world in which, no matter how hungover you are on Sunday morning, there's still someone around to make you go to church. ▀



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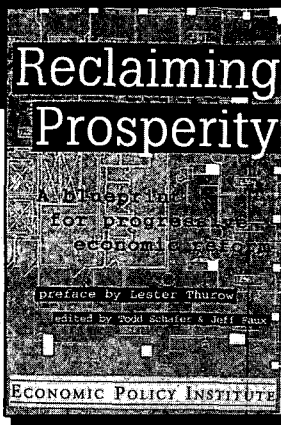
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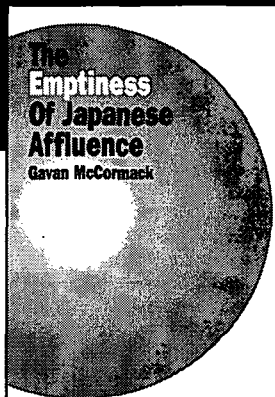
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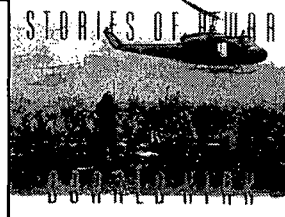
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# THE CRUSADE THAT'S KILLING PROSPERITY

BY LESTER THUROW

**T**he great untold story of the American economy in the 1990s is the disguised high rate of unemployment and its direct impact on stagnating living standards. Properly calculated, our rate of joblessness is well into double digits. No wonder workers have no bargaining power to get their share of an increasingly productive economy.

Among economists, a debate rages on why earnings inequalities began to rise rapidly and real median wages started to fall a quarter century ago. Some blame a technological shift that cut demand for uneducated labor while boosting the demand for those with greater education and skills. Others identify global “factor price equalization”—in an open global economy overseas workers with comparable skills but lower wages are forcing the wages of Americans down.

What’s left out of this lengthy, if inconclusive, debate is the role played by the slack economic environment in which these two forces have been operating. While each is real, their impacts would have been very different if they had operated in an environment of labor shortages rather than one of vast labor surplus. The U.S. economy has been celebrated for creating tens of millions of jobs during the past two decades. But properly counted, our true unemployment rate is no better than Europe’s. And nothing keeps wages from rising like a large pool of idle or underemployed workers.

Today’s slack labor markets were produced by the war against inflation—declared in the early 1970s and still under-way 25 years later. Inflation began with the mis-financing of the Vietnam War in the late 1960s, accelerated with the OPEC oil shock and food shocks of the early 1970s, expanded across the economy in the mid-1970s because of the widespread use of cost-of-living indexes in both labor and supplier contracts, and was rekindled by the second OPEC oil shock at the end of the 1970s.

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While other remedies such as wage and price controls were initially tried, none seemed to work. Eventually all of the world's major governments came to the conclusion that the only cure for inflation was to use higher interest rates and tighter fiscal policies (higher taxes or lower expenditures) to restrain prices by deliberately slowing growth to push unemployment up and to force real wages down. Excess capacity and surplus labor became the key players in the anti-inflationary game.

In the end the strategy for braking the world economy worked. The world's real economic growth rate slid from 5 percent per year in the 1960s to 3.6 percent per year in the 1970s. The double-digit inflation of the early 1980s led to another round of monetary tightening, and growth further decelerated to 2.8 percent per year in the 1980s. Actions such as Federal Reserve Chairman Alan Greenspan's seven interest rate hikes between early 1994 and early 1995 and the Bundesbank's very restrictive policies in Germany slowed the world's growth rate even further, and in the first half of the 1990s world growth has averaged just 2 percent per year. Today the Federal Reserve Board designs policies to limit American economic growth to a maximum of 2.5 percent or less. Anything more is

believed to be inflationary. In its annual policy recommendations, the Organization for Economic Cooperation and Development (OECD) subscribed to the view that America's maximum non-inflationary growth rate was 2.5 percent.

**L**ike a real war that has gone on far too long, all of the original reasons for the war—the mis-financing of the Vietnam War, OPEC oil shocks, food shocks, indexed wage and supply contracts, inflationary expectations—are long gone. As the war continues year after year, the negative side effects of the war, falling real wages and rising inequalities, have become far more corrosive than the original reasons for joining the battle. The battle continues even though the war against inflation has been won.

The combatants  
have gotten so  
used



to "fighting on" that they cannot even recognize that they have won.

Slow growth cured inflation because it directly pushed real wages down—creating very slack labor markets. Indirectly, it created an environment where factor price equalization, a skill-intensive technological shift, and other factors could generate enormous downward pressures on real wages.

Restrictive monetary and fiscal policies have produced unemployment rates not seen since the Great Depression. Today, more than 10 percent of the European workforce is officially unemployed and in three countries (Spain, Ireland, and Finland) unemployment has been above 20 percent at some point in the first half of the 1990s. Spain and Italy have youth unemployment rates of over 60 percent. While it is very fashionable to blame Europe's high unemployment rates on "rigid labor markets," which is to say unions and welfare state protections, the real culprit is macroeconomic austerity. Most of the same protections existed before 1973, and coexisted nicely with high growth, full employment, and rising wages. Japan's official unemployment rate is near 3 percent, but Japan essentially has a system of private unemployment insurance where workers who would be fired in the United States remain on private payrolls. Even the Japanese admit that if their firms acted as American firms do, their unemployment rate would be over 10 percent.

## THE REAL UNEMPLOYMENT RATE

In the fall of 1995, America's official unemployment rate was hovering around 5.7 percent. But like an iceberg that is mostly invisible below the waterline, officially unemployed workers are just a small part of the total number of workers looking for more work.

If we combine the 7.5 to 8 million officially unemployed workers, the 5 to 6 million people who are not working but who do not meet any of the tests for being active in the workforce and are therefore not considered unemployed, and the 4.5 million part-time workers who would like full-time work, there are 17 to 18.5 million Americans looking for more work. This brings the real unemployment rate to almost 14 percent.

Slow growth has also generated an enormous contingent workforce of underemployed people. There are 8.1 million American workers in temporary jobs, 2 million who work "on call," and 8.3

million self-employed "independent contractors" (many of whom are downsized professionals who have very few clients but call themselves self-employed consultants because they are too proud to admit that they are unemployed). Most of these more than 18 million people are also looking for more work and better jobs. Together these contingent workers account for another 14 percent of the workforce. In the words of *Fortune* magazine, "Upward pressure on wages is nil because so many of the employed are these 'contingent' workers who have no bargaining power with employers, and payroll workers realize they must swim in the same Darwinian ocean." Like the unemployed, these contingent workers generate downward wage pressures.

In addition there are 5.8 million missing males (another 4 percent of the workforce) 25 to 60 years of age. They exist in our census statistics but not in our labor statistics. They have no obvious means of economic support. They are the right age to be in the workforce, were once in the workforce, are not in school, and are not old enough to have retired. They show up in neither employment nor unemployment statistics. They have either been dropped from, or have dropped out of, the normal working economy. Some we know as the homeless; others have disappeared into the underground illegal economy.

Put these three groups together and in the aggregate about one-third of the American workforce is potentially looking for more work than they now have. Add in another 11 million immigrants (legal and illegal) who entered the United States from 1980 to 1993 to search for more work and higher wages, and one has a sea of unemployed workers, underemployed workers, and newcomers looking for work.

These millions of job-hunters lead to a more human-scale result that everyone can understand. At 5 p.m. a midsized metal-ceramic firm posts job openings for 10 entry-level jobs on its bulletin board. By 5 a.m. 2,000 people are waiting in line to apply for those 10 jobs.

## WHY WAGES FALL

While the economy has been generating about 2 million jobs per year since the end of the 1990-1991 recession, these gains are just barely large enough to hold even with migration and the normal internal rate of growth of the working-age

population. However rapid, job growth cannot lead to wage increase, unless it is faster than the growth rate of those looking for work.

If one believes even marginally in the power of supply and demand, surplus labor of these magnitudes has to lead to falling real wages. Wages rise roughly with productivity growth only if there are labor shortages. Since slow growth throws the bottom 60 percent of the workforce into unemployment far more than it does the top 20 percent, the earnings of the bottom 60 percent should be expected to fall sharply relative to the top 20 percent in a period of high unemployment—as they have.

These direct negative effects on wages were compounded by several indirect effects. American economists used to talk about something called “efficiency wages.” One of the mysteries of the post-World War II era was wages that rose even when there were unemployed qualified American workers who would have been glad to do those jobs for less. This anomaly was explained by arguing that firms deliberately paid incumbent workers above-market wages to secure a high degree of cooperation, commitment, and effort that they could not have gotten if their workforces could have quit and easily gotten equal wages elsewhere.

But in a world where there are always millions of unemployed and underemployed workers, firms do not have to pay efficiency wages. The same degree of cooperation, commitment, and effort can be achieved by using the motivation factor called “fear”—the fear of being thrown into this enormous sea of unemployment and underemployment. In the last five years examples abound of profitable firms that simply marched in and dramatically lowered the wages of their existing workforces by 20 to 40 percent. Workers complain but they don’t quit.

Similarly, two decades of surplus labor have broken the linkage between productivity gains and wage increases. The early 1990s demonstrated that no government would come running to the rescue with large fiscal and monetary packages designed to stimulate demand during recessions. Instead, recessions would be allowed to run their course and governments would simply wait for a

recovery—or as happened in 1994 in the United States, adopt monetary policies to actually slow what was already by historical standards a very weak recovery.

Knowledge that governments won’t shorten recessions radically changes expectations. If downturns are sharper and longer, business firms have to reduce prices if they wish to survive. As a result, in the 1990s more of America’s productivity gains are showing up as falling prices and fewer are showing up as rising wages. Higher labor productivity doesn’t lead to higher labor wages as it used to. Wages can fall while productivity rises—as has happened in the last 20 years.

The best example is the computer industry—an industry that pays very low wages for its production workers. Productivity is growing very rapidly, but all of that productivity gain shows up in lower prices or higher profits for chip-makers or software firms. None shows up as higher wages as used to occur in industries such as automobiles or steel. This sea of excess labor accentuates the downward pressures of a skill-intensive technology shift and global factor price equalization. Tight labor markets would offset much if not all of the impact on the bottom 60 percent of the wage distribution, but they don’t exist.

A skill-intensive technological shift should raise the wages of the skilled and lower the wages of the unskilled, but in the context of vast supplies of excess labor the expected higher wages even for skilled workers don’t appear. The upward wage pressures that should be seen are more than offset by the downward pressures from surplus unemployed skilled laborers. For males, real wages are now falling at all education levels, even for those with graduate degrees. For the unskilled the downward wage pressures that flow from this technological shift are magnified because of the surplus labor that already exists.

**T**he war on inflation has also intensified the downward wage pressures coming from a number of other sources. Some capitalists certainly plotted to kill America’s labor unions. President Reagan’s firing of all of America’s unionized air traffic controllers legitimized a delib-

About  
one-third of  
the American  
workforce is  
looking for  
more work  
than they now  
have.

erate strategy of de-unionization. In the private sector, consultants were hired who specialized in getting rid of unions, decertification elections were forced, and legal requirements to respect union rights were simply ignored—firms simply paid the small fines that labor law violations brought and continued to violate the law. The strategy succeeded in shrinking union membership to slightly more than 10 percent of the private workforce (15 percent of the total workforce). And even where unions still existed they lost much of their power to influence wages or negotiate working conditions. Combined with corporate compensation committees who in the past 25 years have escalated CEO salaries from 35 to 157 times that of entry-level workers, one could argue that the capitalists had declared class warfare on labor—and were winning.

While the economics literature is inconclusive as to whether unions affect average wages (equally productive companies with and without unions tended to pay the same wages in the past), there is no doubt that unions affect the distribution of wages. Wage distributions are much more equal where unions exist. High school-college wage differentials, for example, have always been smaller in the union sector than in the nonunion sector. As a result, with the demise of unions as a force in the American economy, wage differentials should be expected to rise. In addition, as company worries about unionization have waned, the gap between union and nonunion wages has doubled. Higher wages no longer need to be paid in nonunion firms to keep unions out.

The attack on unions could not have succeeded in an environment of tight labor markets. But in this sea of surplus labor, unions have little negotiating power to offer prospective members.

Deregulation has also led to some wage reductions. In regulated industries such as trucking and airlines, workers collected some of the excess profits—what economists call “rents”—that accrued from regulation. Truck driver wages and the wages of some airline employees fell dramatically with deregulation. In the case of truck drivers, wages fell three times as fast as elsewhere. The rents that had been built into their wages were transferred back to the consumer or to corporate profits. But in a world of tight labor markets more of those rents would have stayed with workers.

Since wages in the many advanced industrial

countries are now above those in the U.S., most of the factor price equalization flowing from other First World countries is behind us. But ahead lies the integration of the Second World into the First World and a very different Third World. The communist countries did not run effective civilian economies but they ran excellent education systems. The Soviet Union was a high-science society with more engineers and scientists than anyone other than the United States. China is capable of quickly generating hundreds of millions of medium-skill workers. The end of communism and the success of the “little tiger” countries on the Pacific Rim have led the Third World to junk import substitution as a route to economic development, and to become export oriented. Where countries with only a few million workers used to be export oriented (Singapore, Hong Kong, Taiwan, and South Korea), Third World countries containing billions of people now want to be export oriented (Indonesia, India, Pakistan, Mexico). As a result, exports from low-wage Third World countries are apt to be much larger in the years ahead. Whatever one believes about how much of real wage declines and increases in wage dispersion can be blamed on globalization in the past, the forces of factor price equalization are going to grow enormously. If they continue to operate in a world of slack labor markets inside the United States, the rate of decline in real wages will accelerate.

## THE REAL INFLATION RATE

Inflation itself has already ended. But as long as the policymakers are convinced that the ghost of inflation will at any minute reappear, they will operate their policies as if inflation were a real threat.

It is possible, in fact, that inflation is even lower than its low official rate. The broadest measure of inflation, the implicit price deflator for the gross domestic product, fell from 2.2 percent in 1993 to 2.1 percent in 1994, and in the third quarter of 1995 inflation was running at the rate of 0.6 percent.

Having fallen during the previous recession, the producer's price index for finished consumer goods in December 1994 was below where it had been in April 1993 and annual rates of increase decelerated from 1.2 percent in 1993 to 0.6 percent in 1994. In 1994 and 1995 labor costs rose at the



slowest rate since records had been kept and the core rate of inflation (the rate of inflation leaving out volatile energy and food prices) was the lowest rate recorded since 1965.

Officially the rate of inflation in the consumer price index (CPI) fell from 3 percent in 1993 to 2.6 percent in 1994, and to 2.5 percent in 1995, but Chairman Greenspan had himself testified to Congress that the CPI exaggerated inflation by as much as 1.5 percentage points since it underestimated quality improvements in goods (in computers, for example, it has performance rising at only 7 percent per year) and since it gives no credit at all for quality improvements in services. The Boskin Commission, appointed by the Senate Finance Committee, has estimated the upward bias in the CPI at between 1 and 2.4 percentage points. If one is willing to assume that the sectors where quality improvements are hard to measure are in fact improving quality at the same pace as those sectors where quality is easy to measure, the over-measurement of inflation may be closer to 3 percentage points.

Health care is a sector whose inflationary dynamics have little to do with macroeconomic pressures. Since health care accounts for 15 percent of GDP and health care prices were rising at a 5 percent annual rate in 1994, mathematically another 0.75 percentage points of inflation can be traced to health care (more than one-third of 1994's total inflation).

Put all of these factors together and it is clear that the rate of inflation in the sectors where inflation is controllable with slower growth is certainly very low and probably actually negative. While some economists argue that the CPI does not in fact overstate inflation [see Dean Baker, "The Inflated Case Against the CPI," *TAP*, Winter 1996] it is bizarre that Alan Greenspan is among those who think that inflation is significantly below its officially measured rate since it undercuts his arguments for contractionary monetary policy.

**L**eft to their own devices, those who operate central banks are never going to declare a permanent victory over infla-

tion. The reasons are simple. If the battle against inflation is primary, central bankers will be described as, and actually be, the most important economic players in the game. Without inflation, they run rather unimportant institutions.

It is important to remember that in 1931 and

1932 as the United States was plunging into the Great Depression, economic advisers such as Secretary of the Treasury Andrew Mellon were arguing that nothing could be done without risking an outbreak of inflation—despite the fact that prices had fallen 23 percent from 1929 to 1932 and would fall another 4 percent in 1933. The fear of inflation was

used as a club to stop the actions that should have been taken. Central banks are prone to see inflationary ghosts since they love to be ghostbusters. While it is true that no human has ever been hurt by a real ghost, it is equally true that ghostbusters have often created a lot of real human havoc.

Central bankers will of course tell us that when they gain "anti-inflationary credibility," rapid non-inflationary growth will resume. But this is a mirage shimmering in the hot desert air. If any central bank has anti-inflationary credibility, it should be the German Bundesbank, yet Germany has one of the industrial world's lowest real growth rates. If the Bundesbank has not yet achieved anti-inflationary credibility, no central bank ever will obtain this exalted status.

As a result, if policies are to change it will require a change in political perceptions. Rising inequalities and falling real wages have to come to be seen as more important problems than the ghost of inflation when it comes to getting elected or reelected. Social welfare programs for the poor are not politically viable as long as the poor do not vote for the politicians who support the programs that benefit them. Tight labor markets are equally politically unviable unless voters reward the politicians who are willing to reverse the macroeconomic policies that have been in place for the past 25 years.

The long-run answer to falling wages is a much better-skilled bottom three-quarters of the American workforce, but without a reversal in our macroeconomic policies no set of human-capital investment policies can hope to work.□

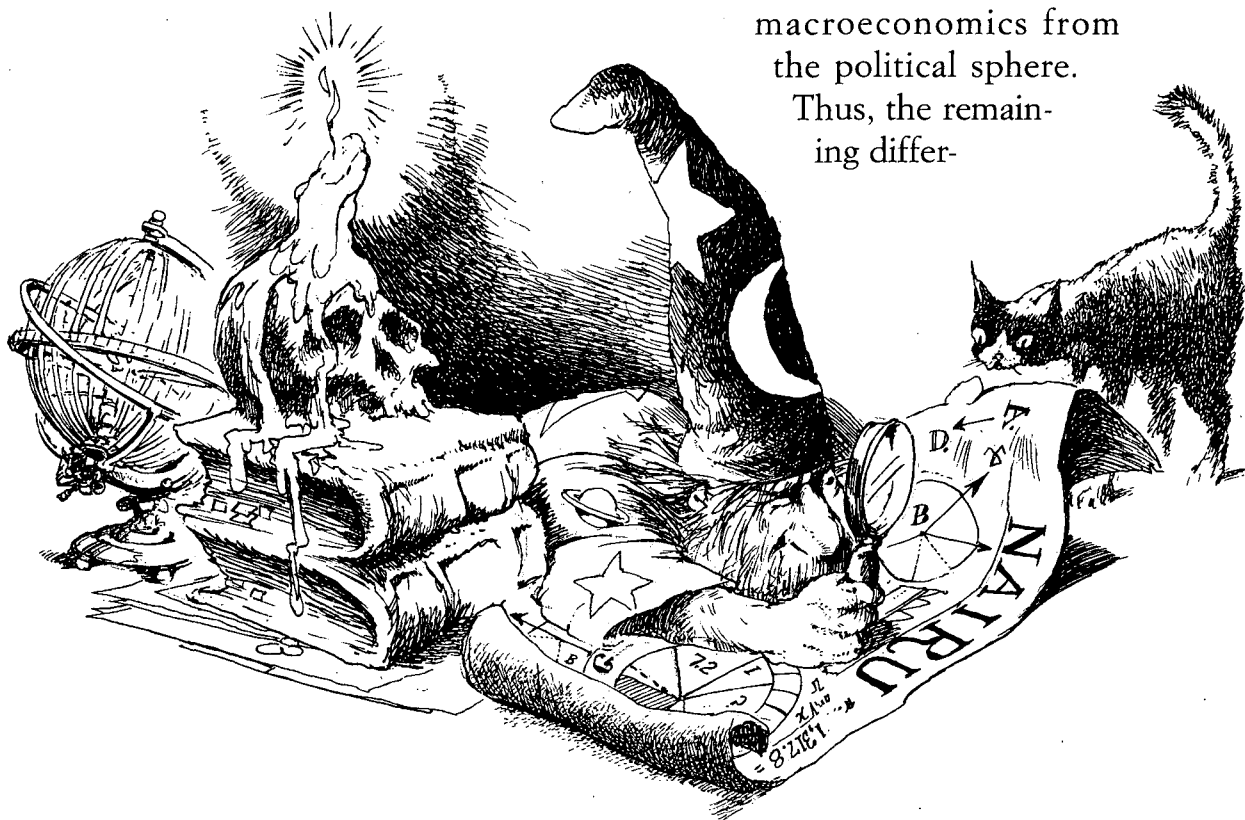
**R**ising inequality and falling wages are more important problems than the ghost of inflation.

# THE SURRENDER OF ECONOMIC POLICY

BY JAMES K. GALBRAITH

There is a common ground on economic policy that now stretches, with differences only of degree, from the radical right to Bill Clinton. Across the spectrum, all declare that the main job of government is to help markets work well. On the supply side, government can help, up to a point, by providing education, training, infrastructure, and scientific research—all public goods that markets undervalue. But when it comes to macroeconomic policy, government should do nothing except pursue budget balance, and leave the Federal Reserve alone.

To accept a balanced budget and the unchallenged monetary judgment of the Federal Reserve is, by definition, to remove macroeconomics from the political sphere. Thus, the remaining differ-



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ences between Clinton and the Congress are over details. Should we head for budget balance in seven years, eight, or ten? Should we cut (or impose) this or that environmental regulation? Do Head Start, the AmeriCorps, and technology subsidies justify their cost? And so on, in long litanies that no one believes will make a fundamental difference in American lives. Even if there were substantial gains to be made by public investments on the supply side, the conservative fiscal consensus precludes them by denying the resources.

We have now seen two Democratic presidents—Carter and Clinton—deeply damaged because they did not dispute this orthodoxy in good time and therefore could not control the levers of macro policy. Macroeconomics, not microeconomics, is the active center of power. Practical conservatives understand this. It is no accident that conservatives always seek to control the high ground of deficit and interest rate policy, nor any surprise that liberals defeat themselves from the beginning when they concede it.

Yet, the economics behind this consensus is both reactionary and deeply implausible. It springs from a never-never-land of abstract theory concocted over 25 years by the disciples of Milton Friedman and purveyed through them to the whole profession. Liberals—and anyone else concerned with economic prosperity—should now reject this way of looking at the world.

#### THE RIGHT-WING CONSENSUS ON EMPLOYMENT AND INFLATION

The conservative macroeconomic creed is built on three basic elements. They are, first, **monetarism**—the idea that the Federal Reserve's monetary policy controls inflation, but has little effect on output and employment except perhaps in the very short run. Second, there is **rational expectations**, which is the idea, for which Robert Lucas just won the Nobel Prize, that individual economic agents are so clever, so well informed, and so well educated in economics that they do not make systematic errors in their economic decisions, especially the all-important choices of labor supply. And third, there is **market clearing**: the idea that all transactions, including the hiring and firing of workers, occur at prices that equate the elemental forces of supply and demand.

Taken together, these assumptions conjure an efficient labor market that yields appropriate levels

of employment and wages. The employment level generated by this abstraction is the core policy concept of mainstream macroeconomics, known as the natural rate of unemployment.\* If unemployment is above the natural rate, the theory dictates that prices and wages will fall. If unemployment is below the natural rate, the theory dictates that inflation will rise. Sustainable, noninflationary employment growth occurs only at the natural rate. [See Robert Eisner, "Our NAIRU Limit: The Governing Myth of Economic Policy," *TAP*, Spring 1995.]

Among most economists these ideas are amazingly noncontroversial. The only dispute is over a narrow point of policy—whether there is any value in attempts to steer the economy toward the natural rate if it happens to be, for a time, either above or below it. To the strictest natural-raters, doing nothing is always and everywhere the right prescription, because the economy will always return to the natural rate on its own. Policy cannot help, and the very instruments of macro policy should be abandoned.

The self-described "New Keynesian," a breed found throughout the Clinton administration, believes a vestigial role for macro policy can be preserved. Unemployment may persist above the natural rate because wages take more time than other prices to adjust to changes in supply and demand, leading to failure of the labor market to "clear." That being so, there may be no harm in policy measures—a little stimulus now and then when there is a serious recession—to speed the return to the natural rate so long as a "soft landing" is carefully engineered.

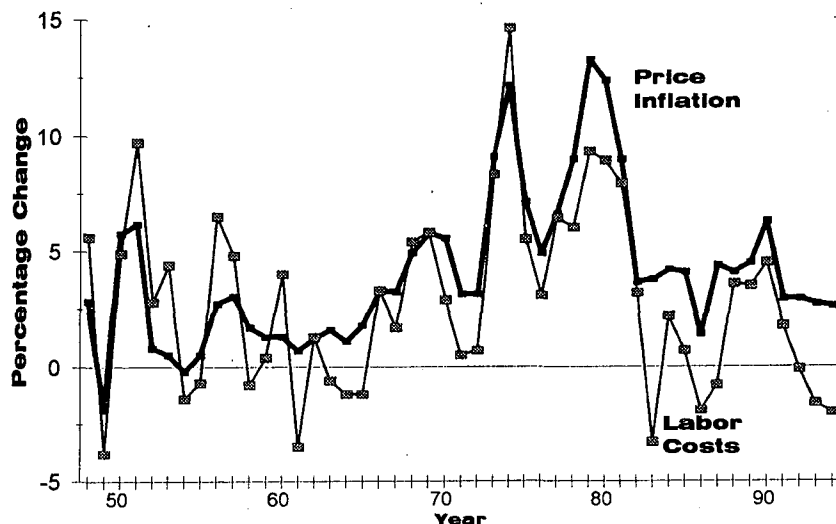
Alas, the location of the natural rate is not actually observed. Worse, the damn thing will not sit still. It is not only invisible, it moves! This is no problem for the never-do-anything crowd. But it poses painful difficulties for would-be intervenors, those few voices in the administration who call, from time to time, for summer jobs, public works programs, and lower interest rates. How can one justify a dash to the goalposts, if you don't know where they are? New Keynesians obsessively esti-

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\* Some economists prefer the term nonaccelerating inflation rate of unemployment or NAIRU. The idea is essentially the same. The natural rate/NAIRU was introduced to supplant the older Phillips Curve idea of a static trade-off between inflation and unemployment, and to suggest that inflation would not only rise, but inevitably accelerate, if unemployment falls too low.

## WHAT'S DRIVING INFLATION?

This graph shows that wages have lagged behind prices for more than 20 years—good evidence that labor markets are not tight.



mate and re-estimate the location of the natural rate, in order to guide their policy judgments. Sadly, they have never yet been able to predict its location, which may be one reason why there has never yet been a successful “soft landing.”

### WHERE IS THE NATURAL RATE?

To the (questionable) extent that the Federal Reserve has any coherent macroeconomic theory, it tends to be implicitly New Keynesian on this issue. That is, the Federal Reserve Board is an inveterate intervenor, raising interest rates when unemployment is too low, and lowering them, grudgingly, to end or sometimes to avoid recessions. And so the Federal Reserve also spends a good deal of time and effort trying to pin down the phantom and elusive natural rate.

In 1994, with the natural rate estimated by numerous astrologers at about 6 percent, monetary policymakers faced an interesting problem. Actual unemployment, now at 5.8 percent, had fallen below the estimated natural rate. So how then to interpret the rest of the data, which contrary to theory showed no evidence of accelerating inflation? Did the apparent lack of inflationary acceleration mean that the natural rate had perhaps fallen, and if so to what value? Or, had the barrier been broken and, in

Robert Solow's phrase, was inflation “acceleration just around the corner”? Or again, was the whole theory rotten and fit for the garbage?

The Federal Reserve proved unwilling to change its estimate of the natural unemployment rate. So it tightened monetary policy, from February 1994 through early 1995, as the economy broached the 6 percent unemployment barrier. But then the Federal Reserve shifted course and started cutting interest rates in July 1995, even though unemployment remained below 6 percent. Why? It will be interesting to learn, when

the full minutes are released, whether the Federal Reserve formally changed its estimate of the natural rate in July of 1995, and if so, on what ground and to what number. Or we may learn that the Federal Reserve doesn't really have a natural rate theory anymore, but is only holding on to the rhetoric of these ideas, for want of any alternative that ideological conservatives might accept.

**T**he components of today's low inflation rate are not at all consistent with the natural rate theory. No part of present inflationary pressure, such as it is, stems from wages. Wage compensation, two-thirds of all costs, remains flat. The whole of today's modest inflation stems from a boom in profits and investment income, and from the effects of this boom on commodity prices and other incidentals of the inflation process. There has also been some contribution from the rising interest costs imposed since February 1994 by the Federal Reserve's own policy.

This problem is illustrated in “What's Driving Inflation?” (above). The old relationship between inflation and labor costs really has busted up since Reagan fired the air traffic controllers and he and Volcker overvalued the dollar. Prices may be rising at 2.7 percent annually, but real wages are scarcely



moving. Indeed we find that all inflation accelerations after 1960, with the sole exception of that following Richard Nixon's election campaign in 1972 (when price controls were in force), were led by prices and not by wages.

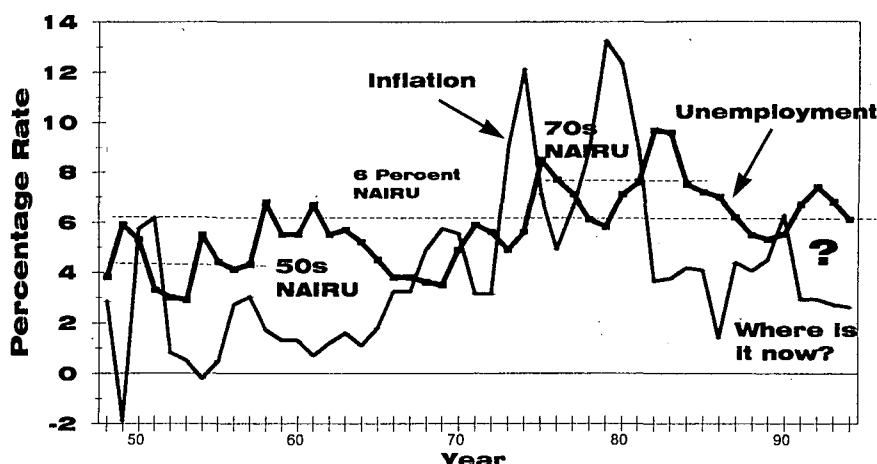
## THE NOMADIC AIRU

How is all of this to be reconciled with a theory of inflation acceleration based exclusively on the natural rate of unemployment in an aggregate labor market? It can't be done. If there is excess demand for labor, surely a good (new) classical economist must insist that real wages are rising. But they aren't—and haven't been in 20 years. Something must be wrong with the natural rate model. (Good economists at the Federal Reserve know this, and it bothers them, as it should.) In fact, something is more than wrong with the model. The model is junk, as we should have known long ago.

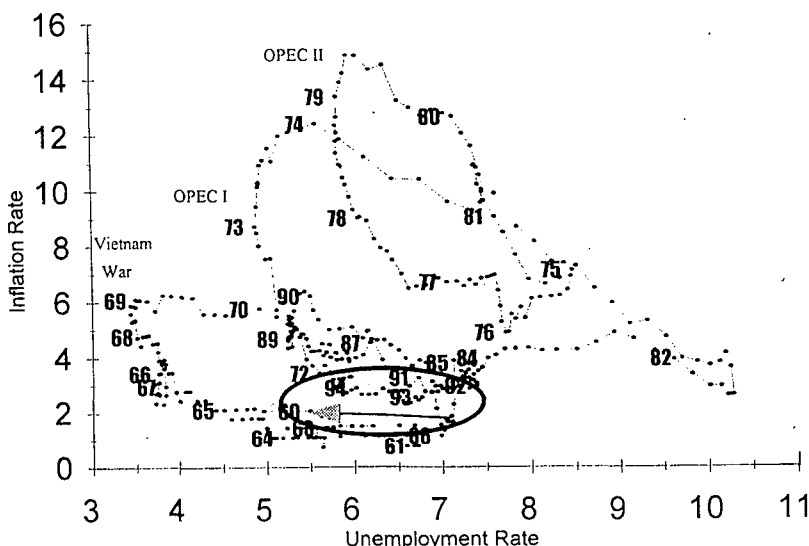
This is nicely shown by the two graphs above ("Follow the Bouncing Natural Rate"). The first shows how the unemployment rates at which inflation accelerated have changed over the last 40 years. In the 1950s they were low, in the 1970s, quite high. But recent data rather resemble the 1950s again, which would indicate that there is room for unem-

## FOLLOW THE BOUNCING NATURAL RATE

This graph shows how estimates of the natural rate can change over time. Recent data resemble the 1950s, indicating that an honest estimate of the natural rate today might be far lower than 6 percent.



This graph shows how unpredictable shocks (like OPEC) have pushed around the relationship between inflation and unemployment. Since a shock can hit at a high unemployment rate as well as at a low one, why not go for full employment?



ployment to come down without kicking off inflation. Depending on how you factor in the high-inflation decade of the 1970s, an honest estimate of the natural rate—even if you believe it—might be 6 percent or much lower.

But the second graph shows how fruitless the search for a natural rate really is. The graph employs centered 12-month moving averages of monthly data for both inflation and unemployment. It illustrates that rising inflation is essentially unpredictable: The shocks that cause it sometimes happen at high unemployment, sometimes not until unemployment is quite low. There is no sign in recent data of rising inflation as unemployment falls.

Indeed, the pattern of widening gyres reversed itself after the deep recession of 1982. Through the rest of the 1980s, unemployment fell without wage pressures and without sharp rises in inflation. The recession of 1989 hit while inflation was low by historic standards. And in the past four years, 1992 through 1995, there has been falling unemployment with falling unit labor costs and no rise whatever in inflation (see the horizontal ellipse). We do not know where the nomadic accelerating inflation rate of unemployment (AIRU) is today—because we don't know when the next shock might hit us. So why not go for full employment?

#### LIBERALS LOST ON THE SUPPLY SIDE

At the very least, New Keynesian acceptance of the New Classical theoretical structure reduces macroeconomic policy to the fringe role, that of large-scale intervention only in deep and lasting recessions. In all other circumstances, the macro authorities are warned off—as was Clinton himself during his brief Keynesian phase in early 1993.

What then can liberals do? The actual approach of the Clinton administration illustrates: Liberals can favor education, training, adjustment assistance, and other programs that upgrade skills and help workers move from one job to the next. They can support public investments in infrastructure, on the ground that these assist in the international competitiveness of the economy. They can support a combination of research and development assistance to advanced enterprises, alongside efforts to open foreign markets to American products, that help shore up the position of American companies in the world. If they are feeling brave, they can also support a higher minimum wage.

All of these are supply-side measures (except the last, which is a direct intervention in the labor market). Their purpose is to improve the long-term competitive performance of the American economy, on the thought that a more productive economy will generate higher average living standards.

The further thought, that these higher averages will trickle down to low-paid production workers, is left as an assumption.

We can all agree that expenditures on education, training, research, development, and infrastructure are generally good things. But a macroeconomic commitment to full employment is the key to translating these investments into higher growth and living standards.

**Education and Training.** As work by Richard Rothstein in this journal and elsewhere has shown, the American system of public education is much better than its critics allege. To be sure, there are poorly educated Americans who are unqualified to fetch high wages in the job market. Yet as Katherine Newman and Chauncy Lennon have shown [see “The Job Ghetto,” *TAP*, Summer 1995], there are far more qualified applicants in central Harlem than there are minimum wage jobs. In this macroeconomic climate, based on a false theory of the NAIRU, raising education standards will not call better jobs into being. That remains a demand-side problem. This does not mean we should give up on the task of improving inner-city schools. It only means that unless we also raise growth rates—indeed, even if we gave everyone Ph.D.s—so long as the Federal Reserve held the growth rate to 2.5 percent, it would not change the current trajectory of living standards. As a student of mine from Buenos Aires once cracked, if education alone were that powerful, Argentina would be much richer than it is.

**Research and Development.** A stronger case can be made for the idea that government R and D helps American companies become more technically advanced and more competitive in global markets. For four decades, our highly interventionist technology policy was a by-product of the Cold War. Now, a more explicit civilian technology policy may be needed to make up for reduced Pentagon R and D. There is surely a role in general terms for science and technology policy—ultimately many technologies lead to a better life. But they do not and cannot bring full employment, nor do they bring about a fairer and more just social order. To make science and technology policies the centerpiece of a progressive agenda, while giving up macroeconomics, is absurd.

**Infrastructure.** Public works expenditure is the historical cornerstone of liberal interventionism. Public works are the fastest, most direct way to put

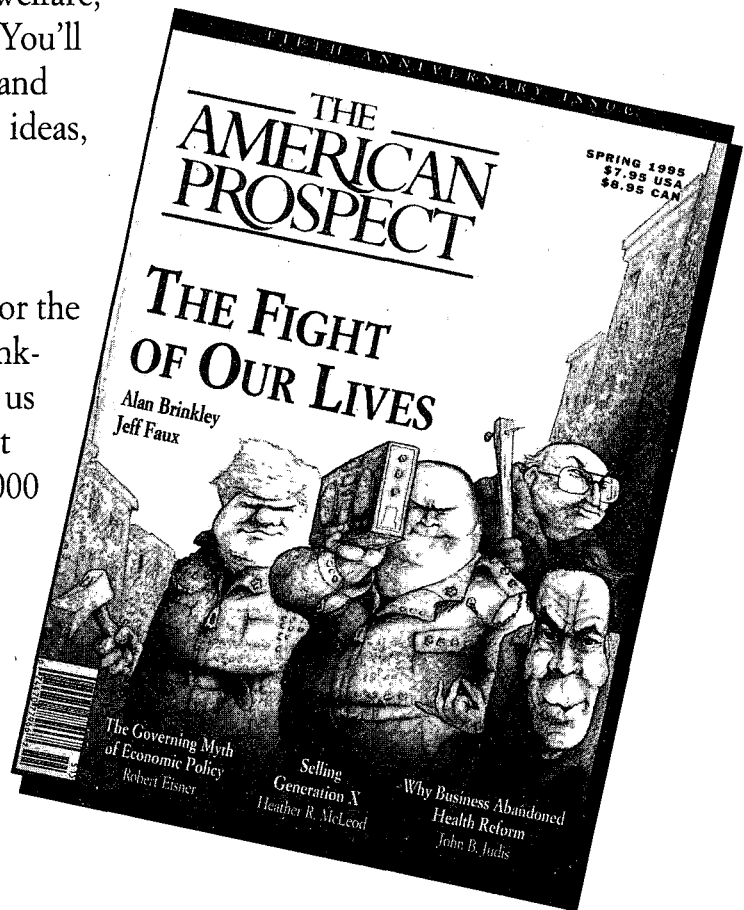
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the unemployed to work. They have direct and multiplier effects on total employment. They have the side benefit that the works themselves remain useful for many decades after they are completed. They also represent, in political memory, the triumph of liberalism in the first New Deal.

But the liberal supply-siders make an entirely different claim for public works spending. Renaming it "infrastructure," (as I too have done on many occasions) they argue that it contributes in definite ways to the productivity of the private business economy. The jobs created directly, by doing the work, are immaterial to this argument. What matters is how the finished work contributes indirectly to cost reduction and increased output in the private sector.

The evidence that such effects exist is, alas, regrettably thin. Almost all of it rests on aggregative statistical relationships, essentially on the bare fact that average measured productivity growth declined during the same years that saw cutbacks in gross public investment. Almost none rests on detailed analysis of the contribution of particular projects to business efficiency.

And this is not surprising. While America might well benefit from more public investments on public-amenity grounds, export-oriented American manufacturing enterprise is evidently not hamstrung by infrastructure problems. Roads, rail, electricity, and water service are adequate to their needs. Boeing is not short of runways from which to launch its planes, nor is Silicon Valley suffering brownouts. Phones work well in this country—we even have the Internet! Pollution costs do not necessarily fall on private business producers, but on their neighbors.

Infrastructure and associated environmental spending is undoubtedly of enormous need and value. But to whom? To the American citizen, as an element in the standard of living. Roads, water, sewer, power, and communications systems are all durable public consumption goods. It is consumers and workers, not the main business shippers, who hit the potholes on the road to work. It is people who breathe the air, drink the water, and boat on the rivers and lakes. All this has little to do with international competitiveness—which is very sad, but true. This explains why business interests are not demanding higher infrastructure spending and why these items were the first to fail in the face of Republican opposition in the Congress.

We are left with the unpleasant conclusion that the liberal mainstream has fallen into a self-deluding trap. The right has taken over the commanding heights of both fiscal and monetary policy, leaving liberals with token sums to spend on supply-side interventions. Education, training, and infrastructure are very important, but not for the reasons usually given. Business won't support funding them at levels that liberals desire, and it is wishful to argue to business that they should. We must find, instead, a language in which to defend them for the sake of the people themselves, and organize the people around them for the vital direct benefits they bring (as indeed the environmental, consumer protection, and health and safety movements have traditionally done). Otherwise they will continue to lose the budget battles.

And if we want full employment, we need something else—a full employment macroeconomics.

#### MACRO POLICY IN A STRUCTURALIST WORLD

Conservatives employ the myth of the market to oppose political solutions to distributive problems. But to leave things to the market is no less a political choice than any other.

Suppose the concept of an aggregate labor market and the associated metaphor of a natural rate of unemployment could be wiped away with a stroke from the professional consciousness (as it deserves to be). The policy notion that controlling the reduction of unemployment is the principal means of fighting inflation would lose its power. It would then become intellectually possible to revive the idea of giving a job to everybody who wants one. The issue becomes not how many jobs but rather who to employ and on what terms?

**Investment and Consumption.** Creating jobs is a matter of finding things for people to do. Investment of all kinds creates jobs, and stabilization of private investment demand is the traditional macroeconomic issue. Low and stable interest rates are essential here—more on that later. Public investment can step in where private investment will not go, and should be designed and pursued for its direct benefits, not its imaginary indirect ones. But *consumption* is also an important and much maligned policy objective. People should have the incomes they need to be well fed, housed, and clothed—and also to enjoy life. Public services



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can help: day care, education, public health, culture, and the arts all deserve far more support than they are getting.

**Technology.** Technological renewal should be understood as part of a strategy of maintaining investment demand. It makes sense progressively to shut down the back end of the capital stock, for environmental, safety, energy efficiency, and competitive reasons. Properly designed regulation can help, and this will open up investment opportunities for new technologies. At the same time, a flatter wage structure and bigger safety net, including retraining but also more generous early retirement for older displaced workers, would reduce the cost of job loss and the resistance from affected workers. Again, this is an adjunct of high-growth macro policy, not a substitute for it.

**Inflation.** Inflation policy would not go away. But the pursuit of relative price stability, rather than being the result of sluggish growth and tight money, would become concerned with the management of particular elements of cost, as the economy got closer to full employment. This includes wage pressures, and also materials prices, rent, and interest. Management of aggregate demand—an undoubted force on nonwage prices—could operate through channels with less effect on employment (a variable tax on excess profits, for example). Since wages are a major element in costs, inflation policy would be concerned with the institutional mechanisms of wage bargaining.

**Distribution.** This exercise returns us to the real, inevitably political questions obscured by technical mumbo jumbo about natural unemployment rates: our overall structure of incomes and opportunities. What should be the distribution of incomes? How much range, between the bottom and the top? Between capital and labor? Between skilled and not? In my view, the present course of rising inequality must be reversed, and liberals should frankly support the political steps required for this purpose. Trade unions should be strengthened and the aggressive new organizing campaigns of the AFL-CIO strongly supported. Minimum wages should be raised. And liberals should strongly defend the progressive income tax, as well as support proposals for wealth taxation, as proposed by Edward Wolff in this magazine. [See “How the Pie Is Sliced: America’s Growing Concentration of Wealth,” Summer 1995.]

Once the basic distribution of income has been set right, further gains in real wages can only hap-

pen, on average, at the rate of productivity growth. But to keep the distribution from getting worse again, these gains should be broadly distributed, substantially social and only slightly industrial or individual. In other words, we need to return to the principle of solidarity—that the whole society advances together.

Higher minimum wages are especially important for this purpose. In their new book, *Myth and Measurement*, David Card and Alan Krueger argue that raising the minimum wage within a reasonable range would not cost jobs. In fact, higher minimum wages may increase employment by reducing job turnover. This is a doubly important work, once for its direct policy relevance and again because it flatly contradicts, and deeply undercuts, standard models of the aggregate labor market.

**Interest Rates.** Low and stable has to be the watchword. Interest rates should lose their present macroeconomic function, which has been to guarantee stagnation. They should serve instead to arbitrate the distribution of income between debtors and creditors, financial capital and entrepreneurship. As a first approximation, real rates of return on short-term money should be zero. And there is no reason why long-term rates of interest in real terms should exceed the long-term real growth rate of the economy. Indeed they should lie below this value, effecting a gradual redistribution of wealth away from the creditor and toward the debtor class and a long-term stabilization of household and company balance sheets. Speculation in asset markets should be heavily taxed.

**Deficits.** Ironically, the budget deficit hardly comes up in this discussion. During the postwar boom, we were a high-employment, low-inflation, low-interest-rate society with a progressive tax structure. Such societies do not have structural-deficit problems. A peacetime military budget would also greatly help. At any rate, the present fixation on balancing the budget is nonsense, as all serious economists should loudly declare.

The above, all taken together, would be a macroeconomic policy to fight for! The liberal microeconomic supply-siders can do some useful things—or think they can—by getting a little money into education, training, infrastructure. But the point is to raise living standards, to increase security and leisure, and to provide jobs that are worth having. And that requires us to reclaim macroeconomics as a major policy tool.□

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# THE ULTIMATE SELF-REFERRAL

## MEDICARE REFORM, AMA-STYLE

BY STUART SCHEAR

Tilting their heads upward, delegates to the annual convention of the American Medical Association (AMA) last June gazed at an enormous closed-circuit television screen in the Grand Ballroom of the Chicago Hilton. Suddenly, Newt Gingrich's face filled the blank space, and from the moment he began to speak, the usually staid crowd let loose shouts of approval and waves of applause. Holding aloft a copy of the AMA's hot-off-the-presses proposal, "Transforming Medicare," Speaker Gingrich told his audience exactly what it wanted to hear. "Unlike Ira Magaziner, we have actively reached out to ask the AMA to be at the table."

In Washington a few months later, after a much ballyhooed, closed-door negotiating session with the House GOP, the AMA's leadership marched to the microphones to offer its public blessings for the GOP's Orwellian-titled Medicare Preservation Act of 1995.

The AMA's endorsement generated front-page headlines, and its public stamp of approval offered Gingrich much-needed political cover to re-engineer the nation's most popular health program. In

turn, the AMA's move secured the GOP's support for key items on the association's legislative wish list and guaranteed it the kind of access to power that it has not enjoyed in Washington for some time.

But there was a seeming paradox in this entente. Under the GOP's Medicare legislation, more of the elderly would be likely to enroll in private managed care plans that many physicians have fought for years. Indeed, ominous rumblings from the medical markets dominated the mood of the same 1995



AMA gathering that gave Gingrich a tumultuous reception. Doctors rose time and again to attack the "bottom line" medicine of the managed care industry. At one point James S. Todd, M.D., the association's executive vice president and the highest-ranking staff member, declared that the AMA wanted "to turn the policies of this House into the policies of Newt's House." Moments later he asked, "Whoever would have imagined that the noble practice of medicine would be shoved around by cutthroat competition in a rough-and-tumble marketplace?" And then, sounding a bit like a fiery labor militant, he added, "Physicians want to be treated as professionals, not as commodities, not as medical merchandise to be bought and sold . . . by market traders who are more concerned with profits than patients."

Todd's angry rhetoric echoed the AMA's decades-old opposition to managed care, but it sounded oddly anachro-

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nistic, even disingenuous. Although many traditional, fee-for-service practitioners still oppose managed care, the AMA now wants physicians to create their own insurance plans. On the surface, it looks as though the AMA has thrown in its lot not just with the GOP, but with the managed care revolution. Or has it? The Republican program for Medicare also had a lot else to offer the physicians, including a new option for medical savings accounts (MSAs) that many physicians see as the last, best hope for restoring traditional, fee-for-service medicine.

### THE PHYSICIANS' DILEMMA

Managed care plans, broadly defined, now cover two-thirds of all privately insured Americans and have been putting ever greater financial pressures on physicians. An indication of the impact is an unprecedented decline of 3.8 percent between 1993 and 1994 in the median annual income of American physicians, which slipped from \$155,700 to \$150,000 according to AMA data. In areas of California where managed care now thoroughly dominates the market, some medical specialists have reported declines of 30 percent in their income over the past two years.

Not all physicians, however, are similarly affected. Some entrepreneurial physicians have profited handsomely by developing networks or by winning large managed care contracts. In addition, many primary care doctors—general practitioners, family practice

physicians, internists, pediatricians, and obstetrician-gynecologists who provide women with a wide array of basic medical services—have actually seen their incomes and the value of their practices increase.

Specialists typically feel the pressure from managed care most directly because the plans control their costs partly by minimizing referrals for specialized care and driving tougher bargains with specialists over the rates they are paid. Many kinds of specialists, particularly surgeons, are in oversupply; thus, plans are in a buyer's market and can force fees (and incomes) down. Specialists can reasonably expect even sharper reductions in earnings as managed care plans increase enrollment and the use of specialist care falls. According to an estimate by Jonathan P. Weiner of the Johns Hopkins School of Public Health reported in the *Journal of the American Medical Association* (JAMA) in July 1994, the United States may have a glut of 165,000 specialists by the year 2000.

Doctors know that many managed care plans, mainly the commercial HMOs, retain as much as 30 cents of every premium dollar for administration and profits. The physicians, of course, believe this money belongs rightfully to them. Hence the "if you can't beat 'em, join 'em" strategy: regain income now being lost to man-



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aged care by creating insurance plans that physicians own and run directly. The AMA, as its leaders would be the first to acknowledge, is pursuing its traditional aims, just in a new way.

### THE AMA'S OTHER BATTLE

Physicians' interests have guided the AMA's political activity for decades, informing its historical opposition to private managed care as well as to national health insurance. Physicians have feared that both government and corporate intrusion into the doctor-dominated medical market of the past would limit their incomes and autonomy. While the AMA's opposition to government is legendary, its antipathy to "corporate practice" and "prepaid medicine," as managed care used to be called, is less well understood. Since the turn of the century, American physicians have opposed organizations that hired doctors as salaried employees or paid them per member (or by "capitation," in today's terminology). In the 1930s, medical societies were so hostile toward physicians who worked for prepaid medical groups that they blacklisted them, barring them from access to hospitals.

As prepaid medical care spread across the country and took on new forms in the past three decades, the AMA's initial, virulent opposition gradually softened. More of the AMA's own members increasingly worked for HMOs and other managed care plans; the organization risked losing membership if it simply continued denouncing such plans. By the late 1970s, the AMA was saying that HMOs and fee-for-service practitioners delivered care of comparable quality. In June 1992, as support grew for comprehensive reform, the AMA even reached out to the managed care industry in search of a tactical alliance. In a speech to the Group Health Association of America (GHAA), the trade group representing HMOs, Todd acknowledged that the AMA had been "slow in recognizing and accepting the benefits of HMOs" because of "traditional beliefs and conventional wisdom, which, as we all know, is often more conventional than wise." While enumerating some of their differences, Todd beseeched his audience to remember that "the things that unite us are stronger than the things that separate us" and that together they must "convince the public that single-payer systems are not in the nation's best interest."

Despite this conciliatory rhetoric, the AMA continued to battle the managed care industry on sever-

al fronts. During the struggle over the Clinton health plan, for example, the association sought legislative provisions that would have curtailed the power of managed care organizations. In the spring of 1994, the AMA even forged a united front with a new and most unlikely set of allies—liberal congressional Democrats who supported single-payer health reform over managed competition. The focus of the coalition's efforts was the Patient Protection Act (PPA), a bill that proposed numerous federal regulatory protections for consumers and physicians in their dealings with managed care organizations. In a May 1994 press conference in Washington, Lonnie Bristow, the AMA's current president, joined Senator Paul Wellstone of Minnesota, an ardent single-payer advocate, to unveil the PPA. Wellstone saw to it that much of the PPA was included in the Senate Labor Committee's version of the Health Security Act. These provisions would have hamstrung managed care plans by sharply limiting their power over physicians. In the House, the Ways and Means Committee health bill, which was similarly influenced by the AMA, would have forced health plans to accept and pay for the services of any physician who met the plans' standards ("any willing provider," as the phrase goes in policy circles). The HMO industry argued that the PPA, which it referred to as the "Physician Protection Act," would have robbed health plans of the ability to determine who worked for them and, as a result, would have undermined their ability to guarantee high-quality health care at a reasonable cost.

In short, the AMA was willing to ally itself with the managed care industry to fight single-payer plans and then to ally itself with single-payer advocates to curtail managed care plans. Taking its case against the role of managed care in federal health reform to the public, the AMA ran a series of black-and-white print advertisements that associated the Clinton plan with coldhearted corporate managed care. One advertisement asked readers to ponder whether they would prefer to get their medical care from an M.D. or an M.B.A. The association also mailed its members a list of simple questions about health reform to discuss with their patients. Many of these talking points were targeted at managed care ("Will I still be able to see my own doctor? Will I have to pay extra? And will my doctor and I be free to treat my illness?").

After the collapse of health care reform in Washington in September 1994, national attention



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quickly shifted to the states, where some 20 medical societies were trying to pass anti-managed care legislation. These state societies, often with the assistance of the AMA, hoped to accomplish in state capitals what the AMA had been trying to achieve in Washington. After some initial successes in passing both "any willing provider" and "patient protection" laws, state medical society victories slowed to a trickle. In 1995 doctors suffered an unexpected and stinging defeat in Texas, when newly elected Governor George W. Bush, Jr. vetoed a watered-down version of the PPA in response to opposition by the managed care industry and its allies.

At the national level, too, Speaker Gingrich would not embrace the kind of regulatory anti-managed care legislation that the AMA had sought in the past. But there was another alternative that a small but growing faction within the AMA had been urging the association to adopt: a physician-friendly, pro-market strategy. By the time Speaker Gingrich addressed the AMA's June 1995 meeting in Chicago, various elements of its new strategy were falling into place.

#### THE AMA'S NEW STRATEGY

While Medicare provides a large share of physicians' incomes, many doctors have an intense dislike of the program because of the limits that it places on their fees and the organization of their practices. The Republican interest in moving the elderly out of Medicare into private insurance thus strikes a chord with many physicians. If seniors moved into private health plans, doctors would no longer be subject to Medicare's fee schedules. The risk, of course, is that doctors would instead become subject to control by managed care plans. That is why two alternatives to traditional managed care are so important to the AMA: doctor-controlled health plans and MSAs.

The AMA lobbied the GOP to use the Medicare legislation to address two major obstacles to physician-run plans. First, the association wanted a relaxation of antitrust regulations that inhibit physicians as well as hospitals from cooperating with one another. These antitrust exemptions may not only enable doctors to set up their own plans; they may also enable them to join together so effectively in a region that other plans are locked out. And, second, the AMA wanted physicians to be able to form plans without accumulating the finan-

cial reserves that state laws typically require of health insurance plans.

The GOP Medicare legislation answered both of these demands. Moreover, the GOP would supply the new doctor-owned plans with another key ingredient—a steady pool of paying customers. Indeed, under the Republican proposal, the doctors could reap enormous profits at the expense of the Medicare program by channeling healthier patients into their own plans and encouraging sicker patients to stay in Medicare. Private managed care plans generally have an interest in cherry-picking healthier enrollees; doctor-run plans may, however, have better information and more influence in steering patients.

MSAs also represent an opportunity for physicians to escape from Medicare's limits. The MSA proposal would allow the elderly to use the average value of their Medicare policy to buy an insurance policy with a very high deductible (\$6,000) and to deposit the remaining funds in a tax-free account, which could be used to pay for uncovered medical costs. The advantage to doctors is that they would face no limits on charges to MSA enrollees.

Because of the high deductible, MSAs are expected to attract seniors who expect lower-than-average costs during a year. As a result, the Medicare trust funds would likely lose money on the MSAs; according to the Congressional Budget Office (CBO), the net effect on Medicare would be a loss of \$2 billion through 2002. CBO, however, projects that only 1 to 2 percent of the elderly would enroll in MSAs. If the doctor-controlled plans and MSAs together siphon off many of the healthy elderly, the Medicare program could be in deep trouble. In testimony before the House Ways and Means Committee last September, Karen Davis, a medical economist and president of the Commonwealth Fund, noted that if "the healthiest 50 percent of Medicare beneficiaries . . . were to take vouchers, the cost to the program could be extraordinary. For example, if 18 million beneficiaries collected vouchers of \$5,000, the cost would be \$90 billion—yet these beneficiaries currently cost the Medicare program virtually nothing."

#### CAN THE DOCTORS COMPETE?

The basic structure of the Republican proposal thus offers physicians a big opportunity to recoup their economic position. Even so, the physician-owned insurance plans face some daunt-

ing obstacles.

Not far from the ballroom where Gingrich praised the AMA's blueprint for "Transforming Medicare," the AMA's new Capital Resource Project set up a booth at which delegates could pick up copies of an AMA "Guide to Forming Physician-Directed Managed Care Networks." Business advisers were also on hand; one of the purposes of the project is to match up entrepreneurial physicians with AMA-approved financial advisers and venture capitalists. In another meeting room, representatives of state medical societies reported on their efforts to set up statewide physician-run health plans. At least 21 state societies had already established or were in the midst of setting up such networks.

Some delegates welcomed the AMA's new direction and made the case that continuing the fight against managed care was a mistake. One such physician, Marc Schlessinger, is a young internist at the Dreyer Clinic, a physician-owned group in Aurora, Illinois. During a floor debate, Schlessinger pleaded with his fellow delegates to reject anti-managed care laws because they would kill off financially weak physician-owned plans, leaving the field open to further domination by insurers. But while appealing to the other delegates, Schlessinger identified the vulnerability of the AMA's new strategy. Doctors' pockets aren't nearly as deep as those of insurers. So far the AMA's Capital Resource Project has approved projects with budgets between \$100,000 and \$15,000,000—no match for the resources of the big companies.

Even if doctors and hospitals can break into the Medicare managed care market, these new organizations will be forced to compete on the terms already set by large insurers and HMOs. Ultimately, physicians who establish plans must assemble their own teams of financial officers, business managers, actuarial analysts, advertisers, and medical management consultants. To survive, they must become insurers. This is exactly what happened historically to the Blue Shield plans, originally created by physicians but now hardly distinguishable from other insurance companies. Similarly, many of the early doctor-controlled HMOs, going back to the 1930s, such as the Ross-Loos health plan in Los Angeles, were ultimately sold to insurers.

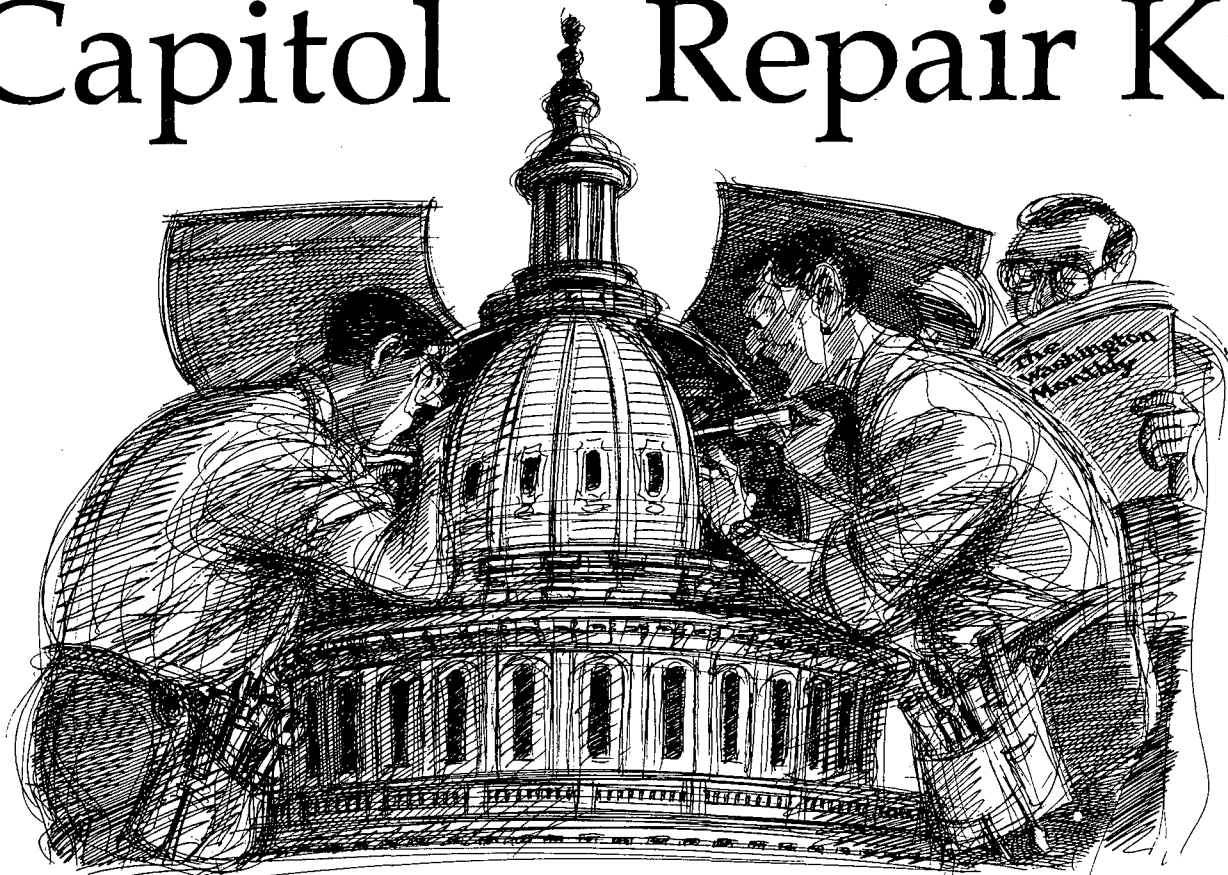
Many of the new provider-run groups are bound to be swallowed up by large managed care

corporations. That is exactly what happened to MD Health Plan, an HMO established by the State Medical Society of Connecticut in 1987. As MD Health Plan's statewide network of physicians grew, it was eyed by larger national plans that wanted to gain a foothold in the Connecticut market. Originally owned by 2,473 physicians, MD Health Plan was sold in 1995 to Health Systems International (HSI), one of the largest for-profit health plans in the nation. HSI paid \$101 million for MD Health Plan, whose original investors, all members of the state medical society, profited handsomely. But now the physicians who work for MD Health Plan must satisfy not only their patients and colleagues, but also the investors who own the plan's stock and Wall Street analysts who advise them.

**A**t the Chicago meeting, one of Speaker Gingrich's most popular applause lines summarized where he and the AMA are headed: "We're saying, we have a general vision of a free-market health care system in the information age where every senior citizen becomes a customer. Now, you help us figure out the details."

While forming doctor-owned plans may eventually yield profits for some entrepreneurial physicians, such plans do not hold out much promise of a substantially improved health care system for most Americans. Ironically, the doctor-owned plans bring to mind questions raised in a 1994 AMA report, which found that "managed health insurance plans present inherent conflicts of interest for physicians" and urged doctors to examine their role in conflicts between quality care and the bottom line. Under the Republican Medicare plan, will financially weak doctor-run plans provide high-quality care to seniors who need costly services? Will doctor-run plans allow patients the free choice of physician—including doctors with high-cost practice patterns? The answers aren't clear, but the very same economic pressures that drive traditional managed care plans to cut costs and control patient choice will also set the pace for physician-run plans. The AMA may have decided to go down the road of market-based medicine, but it is not at all clear whether that approach will make physicians masters of their own fate—much less solve the health problems that the elderly and other Americans face.□

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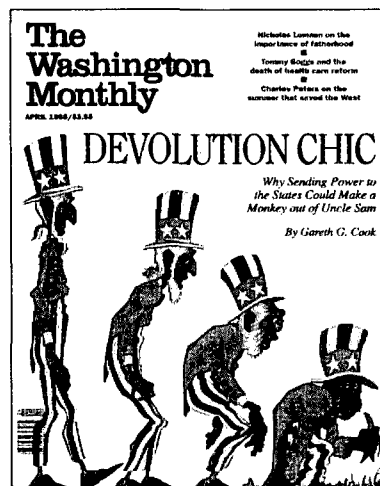
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# GLOBAL VILLAGERS

## THE RISE OF TRANSNATIONAL COMMUNITIES

BY ALEJANDRO PORTES

When the residents of Ticuani, a small farming community in the Mixteca region of Mexico, wanted a clean water supply, they turned to a private civic group, the Ticuani Potable Water Committee. As it had many times before, the committee delivered: It quickly raised \$50,000, mostly in \$100 donations, to purchase and install new tubing to bring clean water to Ticuani.

This story, reported by the sociologist Robert C. Smith, might seem to be an unremarkable tale of civic cooperation. The water committee, however, wasn't in Ticuani or even in Mexico. It was in Brooklyn, New York. Nor was this just a case of immigrants sending money back home; thanks to modern telecommunications and air travel, the committee was directly involved. After learning that the tubes had arrived, the committee members flew from JFK Airport on a Friday, conferred with contractors

and authorities over the weekend, and returned in time for work Monday morning. The water project marked the twentieth anniversary of the committee's first transnational public project and for this occasion the committee unveiled its new seal, to be used in all future correspondence and public events. The seal says, "*Por el Progreso de Ticuani: Los Ausentes Siempre Presentes. Ticuani y New York*," which means, "For the Progress of Ticuani: the Absent Ones, Always Present."

The Ticuani-Brooklyn network is an example of a phenomenon of growing importance—communities that span national borders. A by-product of improved communications, better transportation, and free trade laws, transnational communities are in a sense labor's analog to the multinational corporation. Unlike their corporate siblings, however, their assets consist chiefly of shared information, trust, and contacts. As the members of these communities travel back and forth, they carry cultural and political currents in both directions. Their emergence complicates our understanding not only

of global trade but also of immigration and national identity.

### NEITHER HERE NOR THERE

Transnational communities create a variety of new economic relationships across national borders. In the Dominican Republic, for example, entrepreneurs who have spent time in the United States operate hundreds of small and medium-size factories, commercial ventures, and financial agencies. In a study of 113 such firms in the late 1980s, Luis Guarnizo and I found that approximately half survive thanks to periodic investments by family and friends who remained in the U.S. The men and women who operate these firms in the Dominican Republic are not "return immigrants" in the traditional sense of the term. Instead, they make use of their time abroad to build a base of property, bank accounts, and business contacts and then travel back and forth to take advantage of economic opportunities in both countries.

These Dominican entrepreneurs frequently travel abroad to find new immigrant investors, often with the help of Dominican-owned financial and real estate agencies in New York City. They

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also rely on global contacts for sales. Proprietors of small garment firms, for example, regularly travel to Puerto Rico, Miami, and New York to sell their wares and on their return fill their empty suitcases with supplies such as garment designs, fabrics, and needles. To the untrained eye, these travellers may appear as common migrants visiting and bearing gifts for their relatives back home, when they are actually engaged in trade.

We expect immigrants to come to the United States, make a living, and send money to relatives back home, but in transnational communities the money often flows in the other direction. For example, a study of Chinese immigrants in the New York area, conducted by sociologists Christopher Smith and Min Zhou, shows how Chinese immigrants troll for capital abroad in such places as Hong Kong and Taiwan to finance new banks in the Flushing area of Queens in New York City. These banks have made possible a surge in home buying by New York's Chinese immigrants, who often are unable to obtain credit from mainstream institutions. Although small by conventional standards, these banks have proliferated, and they now serve simultaneously the economic interests of the immigrant community and those of overseas investors.

**A**s money and goods flow through transnational communities, so do cultural influences and even politics. Consider the indigenous Otavalan community in the highlands of Ecuador, which over the last 25 years has spawned a transnational community that reaches into the major cities of Europe and North America, where the Otavalans market their colorful clothing wares. Otavalans abroad do not make their living from wage labor or even local self-employment but from the sale of goods brought from Ecuador. They maintain constant communication with home to replenish supplies, monitor their *telares* or garment shops, and buy land. They have even discovered the commercial value of their folklore, and groups of performers have fanned through the streets of cities in Europe and the United States.

Sociologist David Kyle reports that after years of traveling abroad, the Otavalans have brought home a wealth of novelties, and many have taken European or North American wives. In the streets of Otavalo, it is not uncommon to meet these white women attired in traditional indigenous garb. The transnational community has shaken up the



Otavalan social hierarchy. The sale of colorful ponchos and other woolens accompanied by the plaintive notes of the *quena* (flute) have been so profitable that Otavalo's native entrepreneurs and returned migrants comprise much of the town's economic elite.

Ethnic enclaves in the United States are no less vulnerable to the social aftershocks of the transnational metamorphosis. Sociologist Timothy Fong reports that Chinese newcomers have transformed the city of Monterey Park, California, into the "first suburban Chinatown." Originally, many Taiwanese and Hong Kong entrepreneurs established businesses in the area less for immediate profit than as a hedge against political instability and the threat of a communist takeover. (Opening a new business in the United States helps in obtaining permanent residence permits.) But many of these entrepreneurs have brought their families along to live in Monterey Park, while they continue to commute across the Pacific to conduct business. The profitable activities of these "astronauts," as they are dubbed in Chinese because of their frequent air travel, have helped Monterey Park's Chinese ascend swiftly from marginal status to the city's business class.

In their most advanced forms, transnational networks have evolved into political communities. Alerted by the initiatives of immigrant entrepreneurs, political parties and even governments have established offices abroad to canvass immigrants for financial and electoral support. Not to be out-

done, many immigrant groups organize political committees to lobby the home government or, as in the case of the Mexican community studied by Smith, influence the local municipality. To provide yet another example, Colombian and Dominican immigrants in New York City organized during the 1970s and 1980s to demand the right to vote in elections in their respective countries and obtain the support from their home governments to combat negative images of their communities in the United States.

The result of this process is the transformation of the original pioneering economic ventures into transnational communities that include an increasing number of people who lead dual lives. Members are at least bilingual, move easily between different cultures, frequently maintain homes in two countries, and pursue economic, political, and cultural interests that require a simultaneous presence in both.

#### THE SOURCES OF TRANSNATIONALISM

What gave rise to these transnational communities? For the most part, it is the social and economic forces unleashed by contemporary capitalism—many of the same ones, in fact, that allow corporations to move manufacturing plants from one country to another.

If today's U.S.-bound immigrants faced the same economic and technological conditions as their European predecessors at the turn of the century, there would be no transnational communities. At that time, a relative abundance of industrial jobs spawned stable working-class ethnic communities. Most Poles and Italians in the United States became workers, not entrepreneurs, because the industrial job opportunities made this an attractive option. There were rags-to-riches stories, but it typically took more than one generation to go beyond working for wages. By contrast, today's uncertain, poorly paid service-sector jobs encourage immigrants to



seek an alternative autonomous path. Just as migration abroad became the norm in certain regions of the Third World in the past, today participation in transnational enterprises is turning into "the thing to do" among some groups of immigrants.

Earlier in the twentieth century, the expense and difficulty of long-distance communication and travel simply made it impossible to lead a dual existence in two countries. Polish peasants

couldn't just hop a plane—or make a phone call, for that matter—to check out how things were going at home over the weekend. Now, such communication is possible, and many use it to cope with the whims of the global marketplace.

Transnational communities do not, of course, thwart the operations of large corporations. As more common people become involved in transnational activities, however, they subvert one of the premises of globalization, namely that labor stays put and that its reference point for wages and working conditions remains local. Immigrant workers who become transnational entrepreneurs convey information about labor conditions and novel economic opportunities. The growth of sociopolitical and economic ties across borders also affords immigrant workers some protection from cultural isolation and inferior legal status in the First World. Flows of capital from newly industrialized countries of Asia to North American cities facilitate home and business ownership in the immigrant community.

The significance of transnationalization is already apparent in smaller countries that export labor. In the peripheral nations of the Caribbean Basin as well as those Asian countries with long ties to the United States—such as Taiwan, South Korea, and the Philippines—the twin processes of corporate globalization and immigrant transnationalization have remolded entire economies. Virtually every family has a relative abroad, and the back-and-forth movement of people, information, and

investment has become integral to family strategies for upward mobility. Consumption patterns and lifestyles are shaped as much by the global media as by the activities of former immigrants who have become transnational entrepreneurs. Even governments get into the act by seeking, as in the case of President Aristide of Haiti, to tap the immigrant community for capital investments and political contributions.

### MELTDOWN OR MELTING POT?

The rise of transnational activities of all kinds—economic, social, and political—adds an interesting twist to the debate about immigration policy. Restrictionists have long argued that immigrants take jobs away from American workers. However, many of these are jobs that not even immigrants want, let alone natives. In the process of avoiding these jobs by mobilizing their social networks, immigrants can manage to create new sources of employment, not only for themselves but for later immigrants as well. The Cuban enclave economy of South Florida furnishes a good example. A large proportion of the Cuban-owned businesses in the area are in the import-export trade and other transnational sectors. They enabled their owners to bypass the low-wage labor market and have also been a major source of employment for more recent arrivals. In my study of the 1980 Mariel exodus from Cuba, I found, for example, that after six years in the United States, close to half of these refugees were either working for themselves or in firms owned by their co-nationals.

Cultural conservatives also seek to restrict immigration because of the damage it presumably does to American values and cultural patterns. But transnational entrepreneurs epitomize the very values commonly associated with success and achievement in America. Not coincidentally, the cities that have taken the lead in adapting to the process of globalization—New York, Los Angeles, and San Francisco—are also cities of high immigration. Miami, not New Orleans, became the center of U.S.-Latin American trade largely because of the linkages to the region its large immigrant population built.

More complicated is the question of how transnational communities transform our notion of citizenship. At a time when so much of the American public is disengaged from civic life—apparently to the detriment of the political system—what does it mean to have so many citizens

who are, in a very real sense, neither here nor there? The answer pivots on how narrowly one wishes to construe the concept of civic community. From one perspective, these solitary groups of foreigners, concerned with their own economic and social ends, and generally indifferent to the broader issues in American society, represent a direct threat to its integration. This view is grounded in the belief that the past holds the most appropriate model for the future. But “society” and “community” are not static and the path of change has been already blazed by the increasing globalization of the American economy. In this context, transnationality and its political counterpart, dual citizenship, may not be a sign of imminent civic breakdown but the vanguard of the direction that new notions of community and society will be taking in the next century.

Regardless of the position one takes, attempting to suppress emerging transnational communities, whether in the name of citizenship or a state-centric social order, is probably futile. The existing global social networks are too strong, the growth of distance-shrinking technology too fast. Even advanced countries have not been able to control immigrant populations, so how could they hope to tame their economic and social initiatives?

This is what the American labor movement learned to its chagrin when it threw its weight behind anti-immigrant measures during the 1970s. Such measures did not arrest the flow, but instead alienated immigrant workers from union organizing drives to the benefit of employers. As political scientist Leah Haus shows, one union after another shifted away from this stance in the 1980s and 1990s, involving themselves in immigrant communities and adopting their goals. By becoming increasingly “transnationalized” themselves, unions increased their chances for survival through building ties to the fastest-growing segment of the labor force in low-wage industries and neutralizing employers’ divide-and-rule tactics.

Fast-paced social change is full of surprises, not all of them pleasant. But the attempt to turn back the clock in the name of a more familiar and secure social order often ends up producing even worse, unintended consequences. The rise of transnational communities represents the most novel facet of contemporary immigration to the United States and, as such, is full of uncertainties. It is also full of energy and promise. Its development will be worth monitoring in the years to come.□

# RACE & RELIGION

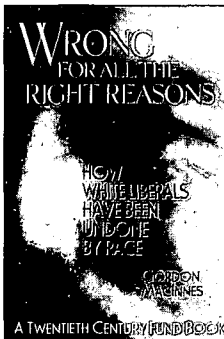
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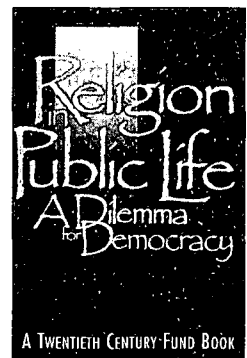
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HAROLD MEYERSON

# Wither the Democrats?

## WORKS DISCUSSED IN THIS ESSAY

Kevin Boyle, *The UAW and the Heyday of American Liberalism, 1945-1968* (Cornell University Press, 1995).

Dan T. Carter, *The Politics of Rage: George Wallace, the Origins of the New Conservatism, and the Transformation of American Politics* (Simon & Schuster, 1995).

E.J. Dionne, Jr., *They Only Look Dead: Why Progressives Will Dominate the Next Political Era* (Simon & Schuster, 1996).

Stanley B. Greenberg, *Middle Class Dreams: The Politics and Power of the New American Majority* (Times Books, 1995).

Michael Kazin, *The Populist Persuasion: An American History* (Basic Books, 1995).

Michael Lind, *The Next American Nation: The New Nationalism and the Fourth American Revolution* (The Free Press, 1995).

Wilson Carey McWilliams, *The Politics of Disappointment: American Elections, 1976-94* (Chatham House, 1995).

In the 1940 presidential election, pollster Samuel Lubell developed a simple formula for charting the Roosevelt vote. In each city he surveyed, Lubell later wrote, Roosevelt swept every neighborhood where the monthly rent was \$45 or less, and was swept away in those neighborhoods where the rent exceeded \$60.

Fifty-four years later, a stroll through downscale America—more particularly, downscale white America—turned up no such Democratic groundswell. In the 1994 vote, as Ruy Teixeira and Joel Rogers showed in TAP's Fall 1995 issue (*Who Deserted the Democrats in 1994?*), the Democrats' support among col-

lege graduates and voters with rising incomes held steady at the level of their 1992 victory; but among white voters with less education, among voters whose income had been declining, their support collapsed.

The scrambling—in bad years, the reversal—of Lubell's calculus is by now a given of American politics: There is no longer a Democratic tilt within the white working class. At one level, this hardly qualifies as news; Kevin Phillips was proclaiming this transformation as far back as the late 1960s. What made the verdict of 1994 so devastating was that it was levied against an administration that had come to power precisely because it had courted white workers more successfully than

any national Democratic campaign in years, and that had tried, albeit sporadically, to deliver for them once in office.

The key elements of Clintonism—the repudiation of cultural and race-specific liberalism, the promotion of universal rather than narrowly remedial government programs, the downsizing of government, and the renewal of public investment—were crafted with these lapsed or lapsing Democrats uppermost in mind. By the mid-1980s, as Clinton pollster Stanley Greenberg noted in his research on Michigan's Macomb County, the Detroit suburb that has become emblematic of white flight from the Democrats, “these voters wondered why they weren’t the central drama of the Democratic Party.” The strategic object of the Clinton campaign—and to a lesser degree, the Clinton White House—was to convince them that they stood center stage once more.

By the evidence of the 1994 vote, though, the downscale whites felt they were still relegated to the wings. The government was still doing too much, and not enough. Welfare was still throwing money away, while programs to make health care more secure and college more affordable remained either small or unenacted. The rich were getting richer and the middle class was get-

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ting poorer (and NAFTA exacerbated both trends). The Democrats were just not there for downscale whites.

The Democratic failure during the first two years of the Clinton presidency wasn't simply a function of the difficulty of disengaging from a race-based liberalism whose supporters were a critical part of the Democratic coalition. Clintonians who came to power with the intent of making a multi-racial working- and middle-class coalition "the central drama of the Democratic Party" found the bond market and the deficit, and global capital and declining wages hogging the spotlight. Even as it was decoupling itself from the policies of the 1960s, the administration was at a loss as to how to deliver in the 1990s. If the latest State of the Union address is any indication, the administration currently feels surer affirming the values of Middle America than defending its interests. The lesson of the books discussed in this essay is that it needs to do both.

But with the White House misplacing its populism, it should come as no surprise that angry white men are not only finding their cultural champions on the right; they're finding their economic champions there, too. In an age of layoffs galore and mergers amok, the loudest and hardest-hitting critics of corporate America aren't Democrats at all; they're Pat Buchanan and Kevin Phillips. Genuine fury at the corporate abandonment of American workers is hard to find on the Democratic side. What keeps economic populism going in America today, apparently, is Richard Nixon's rage at the old-

money eastern elites, which Buchanan and Phillips are faithfully channeling.

**T**he growing Democratic estrangement from the white working class has been a staple of political analysis and commentary at least as far back as 1970, when Phillips's *The Emerging Republican Majority* and Richard Scammon and Ben Wattenberg's *The Real Majority* first appeared. By the early 1990s, though, the genre had been taken over by such avowedly progressive commentators as E.J. Dionne, Jr., and Thomas B. Edsall, both of whom argued for a more populist economics and against at least some of the cultural and racial liberalism that they saw impeding any Democratic reconstruction of a bottom-up, multi-racial majority.

As the books under discussion here indicate, the output of the progressive revisionists has grown into a cottage industry, if not quite a distinct ideology. The histories focus on postwar liberalism's subordination of the claims of class; the works of current analysis make those claims anew.

In *The Populist Persuasion*, American University historian and *Tikkun* book editor Michael Kazin charts the left-to-right odyssey of the populist style in American politics from the 1890s through the 1990s. The style—extolling the virtues of workers and their sometimes provincial cultures against the decadence of

nonproducers and their sometimes cosmopolitan cultures—has proved indispensable to the American left, Kazin argues. "It is only when leftists and liberals themselves talked in populist ways," he contends, "... that they were able to lend their politics a majoritarian cast and helped markedly to improve the common welfare."

During its moments of relative success, Kazin asserts, the left

has also accommodated itself to all manner of traditional cultures. The populists of 1892 avoided a Protestant-Catholic split by declining to take positions on women's suffrage and prohibition; the Congress of Industrial Organizations (CIO) repeatedly

sought to cloak itself with the sanctifications of the Catholic Church. (The invocations and benedictions at CIO conventions, he notes, were almost invariably delivered by priests and bishops.)

By virtue of his emphasis on the need for a populist vocabulary, Kazin at times almost seems to be arguing that the American left has been smashed on the reefs of insufficiently popular symbolism. Political crises are cast as linguistic ones: Debsian socialists were trapped in a "linguistic bind" between an alienating Marxist argot and a more comprehensible tongue that was indistinguishable from the populists'; the CIO by the late 1940s was facing "a linguistic dilemma." In fact, as Kazin acknowl-

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the right.

edges elsewhere, the binds and dilemmas of the socialists and the CIO resulted from shifting political currents; there was no populist vocabulary that could have reversed the CIO's organizing setbacks of 1946, the failure of that year's GM strike, or labor's growing estrangement from those sectors of the Catholic working class that gave credence to Joseph McCarthy.

But Kazin is surely right to note that after the CIO, the majority of postwar liberals—from "vital centrists" to New Leftists—shunned the populist style and, more fundamentally, grew disdainful of the white working class. For the generation of social scientists who helped define the liberal mainstream of the 1950s, Richard Hofstadter above all, the rise of postwar right-wing populism—that is, McCarthyism—served to discredit the entirety of American populism. The standard-bearer of 1950s liberalism, Adlai Stevenson, was really a premature neoliberal, unenthused by national health and the rest of Truman's Fair Deal, and distinctly cool to unions (not to mention cold on civil rights). And while the 1960s New Leftists rejected virtually all of the 1950s liberal consensus, they nonetheless felt just as alienated from and even more contemptuous of the beliefs and traditionalist ethnic subcultures of the white working class than the Stevensons and Hofstadters had. The New Left might have empathized with the CIO's militance, but it couldn't comprehend the CIO's strategic reliance on the church.

The neoliberals of the 1970s and 1980s were just as distanced

from the working-class perspective as 1950s liberals and 1960s New Leftists had been. In effect, every wing of American liberalism granted the right a virtual monopoly on invocations of the value and dignity of work and workers. More recently, as income stagnation has settled over the land, the populist style has reappeared, fleetingly, on the left. Jesse Jackson uses it brilliantly, Kazin notes, but often in the service of causes, such as affirmative action and welfare, that divide working America rather than unite it. It was a steady drumbeat in Clinton's presidential campaign, if only an intermittent one after the election. And since Kazin's book has appeared, one of the precious few virtuosos of left-wing populism, the Mine Workers' Richard Trumka, has become Secretary-Treasurer of the new model AFL-CIO. Under Trumka's leadership, the UMW managed to rebuild a culture of militant unionism among the very sorts of folks who elsewhere were galloping rightward; it offered a left-wing version, as UMW Communications Director Jim Grossfeld put it, of "one-stop shopping for angry white men."

But Trumka remains an exceptional figure in contemporary liberalism. Since George Wallace, angry white men have done their shopping on the right.

**W**allace's epochal achievement, Lee Atwater once noted, was to invent an entirely new elite for American populist demonology. Before Wallace, the primary objects of populist ire were the wealthy, particularly the

wealthy who were far from the process of production: bankers, speculators, heirs to great fortunes. Wallace conjured up a new governing class, just as intrusive, just as far removed from the world of small business and the production worker, and every bit as effete as their wealthy predecessors. They were the "communists, socialists, beatniks, and atheists" inside the government; the "bearded Washington bureaucrats who can't even park a bicycle straight." At times, the two elites were merged into a single stream of vilification: One of his hapless gubernatorial opponents was supported, Wallace alleged, by a "spotted alliance" of blacks and "sissy britches from Harvard who spend most of their time in a country club drinking tea with their finger stuck up." To read the transcripts of Wallace's rallies is to see that a generation of Republican speechwriters have been doing pale knockoffs of his material ("effete snobs," "Harvard boutique").

Part of the considerable charm of Dan Carter's biography of Wallace is his ability to convey the mood of suppressed violence that Wallace brought to the podium when he was really on. "Many of his listeners," Carter writes of Wallace's 1968 presidential campaign, "responded with the wary thrill of middle-class southern girls drawn to, and yet terrified by, the duck-tailed, T-shirt-wearing macho rednecks who ambled down the hallways of their high school." Pat Buchanan may be a Wallace for the 1990s—a champion of white workers and small businessmen against global corpora-

tions and liberal elites—but for all his pugnaciousness, Buchanan cannot approach Wallace's ability to give voice to his supporters' rage, to become the avenging angel of an entire subculture. Compare Buchanan's attack on Steve Forbes and the "boys down at the yacht club" to Wallace's wild riff against "Huntley and Chinkley and Walter Contrite." The first is your standard Populism 101; the second translates the inchoate fury of a collective subconscious into a weird folk poetry. (For anyone doing a study of Fisticuffs and the Populist Right: Wallace and his brothers and Buchanan and his brothers all spent the better part of their adolescence boxing at their respective fathers' insistence, though Buchanan brawled socially while Wallace saved it for the ring—and the soapbox.)

Wallace not only had white rage on tap; he had it on staff. His infamous vow at his first inaugural as Alabama governor in 1963—"Segregation today, segregation tomorrow, segregation forever!"—was penned by Klan leader Asa Carter, who, when not busy writing for Wallace, was leading his Klavern in attacks on such notorious radicals as Nat King Cole. Carter offers a stunning depiction of the lumpen netherworld into which Wallace would descend when in need of a vicious line or a vicious cop. He also unearths new material on the Nixon administration's investigation of Wallace's brother Gerald, and how its decision not to file charges coincided with Wallace's decision to wage his 1972 presidential campaign within the Democratic

Party rather than draw off votes from Nixon that November.

Most importantly, Carter discovers in Wallace's career the portents of realignments yet to come. In his 1968 campaign, Wallace relied on Billy James Hargis's Christian Anti-Communist Crusade to build both a national network of coordinators and a direct-mail fundraising base, much as a later generation of Republicans would use the Christian right. And in 1964, Carter documents, Wallace was already inclined to lead the white South into Republican ranks, quietly informing GOP presidential nominee-to-be Barry Goldwater that he was eager to serve as his vice-presidential running mate. (Extremism in the pursuit of marginality apparently had its limits; Goldwater declined the offer.)

**D**uring the 1968 presidential campaign, Samuel Lubell, still walking through swing precincts, found the largest concentration of northern Wallaceites in those white neighborhoods that abutted black ones. In 1972, Wallace was the only Democratic presidential candidate to campaign against integrational school busing. In a state like Michigan, where a court had just ordered cross-district busing from Detroit into its almost entirely white suburbs, Wallace's was a hugely popular position (and one shared by most local liberal office holders, such as Dearborn's John Dingell). He won 51 percent in Michigan's Democratic primary, the same day that his shooting in Maryland effectively ended his

national political career. That fall, in his contest against George McGovern, Richard Nixon took Wallace's two constituencies—southern whites and northern Catholics—and moved them into the Republican column.

In a sense, as Wilson Carey McWilliams notes in *The Politics of Disappointment*, his collection of elegant postelection essays, the scrambling of the Democratic base marked a perverse kind of Democratic triumph. "[T]he New Deal strategy," McWilliams wrote after Ronald Reagan's 1980 victory, "is exhausted because it has succeeded: the groups the New Deal courted and cultivated have been won. The periphery of the New Deal coalition [progressives, blacks, and Jews] has become the heart of the Democratic Party, and the historic Democratic Party—Northern Catholics and Southern whites—has been moved to the periphery . . . The Democrats need a new strategy."

McWilliams is right: Underneath the party of Franklin Roosevelt was the party of John Nance Garner and Al Smith, the ethno-cultural and not-all-that-liberal historic Democratic Party. And yet, the allegiance of Catholics and southerners to Roosevelt's party wasn't only ethno-cultural. Roosevelt far outpolled Smith in Catholic America; and in places like western Pennsylvania, the CIO politicized Catholic steel and mine towns where in earlier years the Democrats had barely been able to set up shop. Similarly, the intensity of southern white Democratic support was greater in the time of the Tennessee Valley Authority and Works



Progress Administration than in earlier years. The public investment and universal social programs cooked up by New Deal bureaucrats greatly strengthened the Democrats not just among ideological liberals, but in the dankest backwaters of social traditionalism, not to mention white racism.

**W**hen the specter of court-ordered busing loomed over Michigan in 1971, it was Macomb County, just across the line from Detroit, that led the resistance. Just a decade earlier, Macomb had been the most Democratic suburban county in the nation, giving John Kennedy 63 percent of its vote in 1960 and Lyndon Johnson 74 percent four years later. But Macomb gave Wallace 66 percent of the vote in the 1972 Democratic primary; and by 1984, Ronald Reagan took 67 percent of Macomb's vote over Walter Mondale. Shortly thereafter, pollster Stan Greenberg began traveling to Macomb to conduct focus groups there. What he found there over the next seven years, and what he concluded from his findings, pushed the Democrats in general and Bill Clinton in particular toward a reworking of the party's positions on race and class during the 1992 campaign.

By the time Greenberg got to Macomb, he found a county that defined virtually all social reality in terms of race. A nice neighborhood meant a neighborhood without blacks; being middle class meant not being black; almost all the participants in his focus groups, Greenberg writes, "perceived the special status of

blacks as a serious obstacle to their personal advancement." These were Reagan Democrats, not Republicans; they were no fans of corporations or the mar-

**T**he current period in American history is one in which partisans take hope chiefly from the performance of their adversaries.

ket. But the economic programs of the Democrats were largely beside the point. The Democrats had become the party of black people, the party of Detroit.

The turning point had been the war on poverty and other 1960s urban and race-oriented programs—the Great Society, excluding Medicare, and the Civil Rights and Voting Rights Acts. "Johnson's bold initiatives," writes Greenberg, "ended up changing the Democrats' bottom-up vision, making it into something constricted and racial. Johnson's expansive moral formula rallied the country at a time of crisis, but as a political formula it could not embrace the middle class. This attempt at renewal crashed in 1968." In that year, Greenberg notes, only 17 percent of whites thought the War on Poverty was doing a good job.

Actually, the Macomb whites and their forebears had been regularly deserting the Democrats over racial issues decades before

the Great Society ever took shape—only they hadn't made the move from Detroit to Macomb yet. From the 1930s through the 1950s, the white working class of Detroit was one of the marvels of American politics. More than any other American metropolis, Detroit was home to both of McWilliams's key Democratic constituencies, Catholics and (transplanted) southern whites. They helped create a city that was the base for the most militant and effective union in the nation—and one of the most substantial Klan operations as well. White Detroit voted overwhelmingly for UAW-supported Democratic liberals for state and national office. And the very same voters rejected virtually every UAW-backed Democratic liberal for municipal office (to the point where the Detroit UAW finally took a walk on a number of local liberals). The difference was that the national and state candidates routinely ignored racially charged issues, while the municipal liberals typically campaigned for more and better public housing and a less racist and less brutal police force.

What Greenberg found in Macomb, then, were white Detroiters who had toted their politics across the county line; they hadn't changed. What had changed were the politics of state and national Democrats: Beginning in the 1960s, they championed many of the same policies that had doomed Detroit's liberals, with the same electoral consequences.

Throughout the writing of those progressive critics who assert that Democratic doctrine went off the track during the

Johnson years, there lurks—implicitly in Edsall, explicitly in Greenberg, screamingly in Michael Lind—a desire to rewind the clock to the fateful years of 1964-65 and steer the Great Society away from the political debacle of its emphasis on the poor and nonwhites toward a more politically sustainable universal program. What exactly, or even approximately, that program should have been is almost never elaborated, however. One of the many virtues of Kevin Boyle's brilliant and important history, *The UAW and the Heyday of American Liberalism*, is that it provides a clear picture of the road not taken.

For Walter Reuther and his social democratic lieutenants, Lyndon Johnson's move toward the left was the opportunity they'd been anticipating for two decades. As Boyle meticulously documents, the Reutherites had argued at every opportunity (i.e., every shift to a wartime economy or election of a new Democratic president) for an expanded welfare state, a national incomes policy, joint management-labor-government planning of production in key industries, the conversion of the American economy along the lines of Swedish social democracy, or at least German social corporatism. And at every turn, they had been rebuffed. They settled, reluctantly, for winning a privatized welfare state and incomes policy at the bargaining table. Prodded by their black members, and over the objections of their southern white locals, they also provided crucial support to the early civil rights movement, bankrolled the NAACP and the march on

Washington, and led the efforts to diminish the power of the Dixiecrats who still governed Capitol Hill in the early 1960s.

But the Reutherites understood—perhaps more pragmatically than politically—that a narrow-gauge war on poverty wouldn't work. "You can't compartmentalize the problem and say, 'We will just talk about this little piece,'" Reuther told a congressional committee in

1964. An effective poverty war, he continued, would necessarily entail the democratic control of investment and democratic planning for production. Otherwise, ran the UAW critique, the war would split the working class: "It redistributed wealth not from the wealthy to the working class," Boyle summarizes the position, "but rather from the middle and working classes to the poor." The emphasis on inner-city poverty, UAW research director Nat Weinberg noted, would mean bypassing the considerable pockets of nonminority poverty in suburban, small-town, and rural America. If full-bore democratic "planning" was implausibly radical, at least full employment was thinkable.

An explicitly class-based alternative to the Great Society did exist, then. And while it didn't exactly die for lack of a second—the UAW's proposal was complemented by other programs from social democrats such as A. Phillip Randolph, Bayard Rustin,

Michael Harrington, and their allies in other unions—it languished at the margins of liberalism, never winning a serious hearing from the Johnson White House. A universalist Great Society entailed too great a

restructuring of economic power; its only powerful champions were progressive unions, and it probably would have required a northern European level of unionization to muster sufficient support to enact

it. Then as now, the class-based liberalism for which the progressive revisionists pine required an organized class base.

**"The only thing the Democratic Party needs," says a White House adviser, "is a Party."**

**B**y the time Bill Clinton began campaigning in Macomb in early 1992, he was well on his way to mastering the progressive revisionist two-step. On the one hand, he would call for an end to welfare as we know it, support the death penalty, and denounce Sister Souljah (a stratagem that Greenberg in particular urged upon him); on the other, he called for a working-class tax cut, for national health insurance and, late in the campaign, for a semi-managed, semi-free trade policy that paid at least some heed to worker rights.

It was part Democratic Leadership Council, part Economic Policy Institute, and all Greenberg. The two-step worked—sort of. In 1988, George Bush had defeated Michael Dukakis by 63,000 votes in

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Macomb; his 1992 margin over Clinton was just 17,000. Nonetheless, Clinton's performance among downscale whites was distinctly sub-Rooseveltian. Nationally, as pollster Ruy Teixeira has shown, whites earning \$15,000 to \$30,000 a year gave Clinton just 40 percent of their vote; indeed, Teixeira demonstrates, the greater the voter's decline in wages, the greater the likelihood he'd vote for Ross Perot (a foretelling of the Democrats' collapse among downscale whites two years later). Still, as Greenberg contended at that time and again in *Middle Class Dreams*, the possibility that Clinton could build a bottom-up multiracial majority, joining Perot's supporters to his own, was—and remains—a real one.

Perhaps even more than Greenberg, *Washington Post* columnist E.J. Dionne, Jr., can take credit for formulating the clearest statement of the de-racialized progressivism that infused the 1992 Clinton campaign. *Why Americans Hate Politics*, Dionne's 1991 argument in favor of a renewed, slightly social democratic vital center, provided the analytic underpinning for Clinton's 1992 campaign.

Dionne's new volume, *They Only Look Dead: Why Progressives Will Dominate the Next Political Era*, a surprisingly upbeat assessment of the Democrats' and progressives' prospects, begins with a postmortem on Clinton's program, and moves on to a devastating dissection of Gingrichism. It's the Gingrich part, not the Clinton, that's responsible for the upbeat outlook; the current period in American history is one in which partisans

take hope chiefly from the performance of their adversaries.

**T**he autopsy Dionne conducts on Clinton's program adduces all the usual suspects—the budgetary constraints, the administration's flight from populism both left (managed trade and campaign finance reform) and right (the middle-class tax cut and welfare reform)—but places its main emphasis, rightly, on the party's internal divisions, chiefly as they impacted the fight for national health insurance. Dionne clearly agrees with William Kristol's assessment (which appeared in his famous memo advising Republicans to oppose health insurance flat out) that enactment of the measure would “revive the reputation of . . . the Democrats as the generous protector of middle-class interests.”

What Kristol saw clearly, though, various Democratic members of Congress saw not at all. Trolling for insurance industry or small-business campaign donations, fearing a public backlash, they turned against Clinton's proposal. In fact, on some crucial questions, the backlash never came: Despite the onslaught from organizations like the National Federation of Independent Businesses, the public always supported funding the program through employer mandates. But the intensity of opposition like the NFIB's blew away the largely disorganized backing for the Clinton proposal.

On their most critical proposal in a generation, the Democrats discovered they had no means to gather support. “The only thing the Democratic Party needs,”

one White House adviser moaned to Dionne as the bill was going down, “is a Party.” Not only didn't the Democrats have a party, they didn't have the kind of functional equivalent they had enjoyed the last time they brought major proposals before the nation. In the years since the 1960s, they had seen the labor movement shrink by more than half, and more and more districts drawn in regions where labor was a negligible presence. They had seen the demise of such legislative giants as Lyndon Johnson and Phil Burton, who frequently controlled campaign money and committee assignments and the flow of legislation to the point where their colleagues felt obliged to vote for their priorities. (Today's Democratic leader, Dick Gephardt, is acknowledged to be a great listener; Johnson and Burton were better known as great intimidators. The difference isn't simply characterological: Johnson and Burton reigned at a time when power—that is, legislative control and access to campaign funding—was more centralized.) The ideological recentring of the Democrats had returned them to power, but it would take more institutional cohesion than they could muster for them to deliver on their promises.

**A**nd yet, just when every last political scientist in America had despaired of seeing that cohesion in his or her lifetime, Newt Gingrich demonstrated that with enough money, ideology, foot soldiers, and freshman legislators, a coherent party could be resurrected. It is Gingrich's

ascent that Dionne believes will return the Democrats to first principles. "For two decades," he writes, "Progressives have been timid in defending their project, and distracted by cultural politics. The Gingrich Revolution gives them no choice but to battle to preserve Progressivism's achievements and renew its program."

In a brilliant discussion of the Republican revolution, Dionne sees Gingrich as a latter-day Mark Hanna, the political boss behind the McKinley campaign, who in 1896 transformed the Republicans into the party of industrial America, relegating William Jennings Bryan's Democrats to the agrarian hinterlands of the South and West. In a like manner, Gingrich wants to align today's Republicans with the market forces pushing the economy into a globalized, information age. "Beneath the high-tech jargon lies a sophisticated strategy that seeks to transform the Republican Party into the advance guard of the economy, and leave the Democrats to defend the 'obsolete' sectors." Industrial transformation, of course, is not the same thing as successful social transformation. The problem with the Gingrich program, Dionne asserts, is that "it has been tried before [that is, from 1896 to 1932] and found wanting." Now as then, the public will turn to government to seek relief from the social dislocations of this economic change.

**W**hether government will be up to the challenge is another matter. "Much as local governments saw their influence

crumble in the 1880s and 1890s," he writes, "so now do national leaders feel constrained and, in some ways, helpless" before a transnational financial and industrial order. For the popular will and popular interests to reassert themselves, Dionne argues, government must expand to the scale of the economy. In the 1930s, that meant going national. In the 1990s, nations that wish "to maintain democratic influence on the economy . . . [must] reach agreements among themselves." The model for such an agreement, Dionne contends, is the social charter of the European Union (EU).

Throughout this provocative book, as in much of his writing, Dionne admirably attempts to formulate progressive policy in a way that can win broad support across the Democratic spectrum. But on this last suggestion, which is nothing less than his sine qua non for maintaining effective democracy, I'm not sure any formulation can unify the Democrats. After all, the proposal, made by Richard Gephardt and supported by a number of unions, that the U.S. enter into a trade arrangement with the EU, has found no takers in the administration or within the Democratic wing of business. There is nothing close to consensus in the party on the necessity, or even the desirability, of a global mixed economy. The Democrats' dilemma, even after they've repositioned themselves to become more acceptable on cultural and racial matters, isn't just that they have no institutional center. It is also that they are torn, as the Republicans are not,

by class differences that have been exacerbated by the economic and political transformations of recent decades. It is one thing to be the party of Averill Harriman and Walter Reuther in a time of shared prosperity; quite another to be the party of Robert Rubin and Richard Trumka at a time of soaring profits due in part to wage decline.

**T**o say that E.J. Dionne and Michael Lind both advocated a liberalism with a diminished emphasis on race and an increased emphasis on class is to state the truth and obscure a world of difference. Dionne chooses to write more or less within the confines of actual existing politics. Lind, by contrast, means to blow up the whole damn thing.

In Lind, the progressive revisionist two-step has found its most zealous performer. There are many who share Lind's intense antipathy to affirmative action and racial preferences, but they are all well to his right on economics. There are many—well, some—who share Lind's militant advocacy of working-class interests and social market capitalism, but they tend to be well to his left on cultural politics. And to stake his terrain, he has written not just a political tract, but an entire counter-history and counter-mythology of America, and just when you think he's done, he appends a counter-pantheon of American heroes. It's immensely learned, overdone, occasionally wrong, and at times a little loopy; the overall effect is like being cornered in a bar and harangued by a MacArthur fellow who's had



too much to drink.

As Lind tells it, the U.S. has gone through three distinct incarnations: Anglo-America, from 1789 to 1861; Euro-America, which lasted from 1875 to 1957; and Multicultural America, which commenced with the end of the second Reconstruction in 1972 and exists to this day. Euro-America perpetuated Anglo-America's subordination of nonwhites; but as a consequence of the New Deal, it was characterized by an unprecedented prosperity among white workers. That prosperity—for white workers and nonwhites, too—has eroded badly in recent decades; Multicultural America, he asserts, is characterized by a “proliferation of racial preferences and decline in average wages and benefits—both in the interests of the white overclass.”

Lind's assertion that an economic war has been waged by the American elite on the American masses is plainly accurate; the busting of unions, the destruction of manufacturing, and the erosion of wages and benefits were the result not of blind market forces but of policies undertaken on a scale unseen in any other industrialized nation. He is equally right to assert—with Dionne, Greenberg, McWilliams et al.—that racial preferences have divided American workers, eroded class solidarity, and weakened support for government programs and government itself. But to flirt, as he occasionally does, with the suggestion that the overclass cooked up this affirmative action thing as a way to shore up its offensive is a bit much. He does document how Richard Nixon

came up with racial set-asides on construction sites in part to create political divisions, but we're not talking overclass when we're talking Nixon. One can easily imagine the one-sided class war of the past two decades proceeding unimpeded if affirmative action had never been devised. On the other hand, Lind is on surer ground when he notes the effect of open immigration on falling wages (a glaringly obvious fact in my own hometown, Los Angeles), and on surer ground still when he notes that it was only during the one period in American history when immigration was almost shut off—1923 through 1965—that industrial workers were able to organize themselves.

Ultimately, Lind is attacking both the cause and the consequence of American exceptionalism. The American left has long struggled with what it would term an underdeveloped level of working-class consciousness and organization, due in large part to the ethnic and racial divisions within that class. Lind's solution is to end those divisions. With enough miscegenation, we can become a little more like a European nation—one people indivisible by race, hence, divisible by class. In fact, the example of Hawaii suggests he's on to something—our most racially mixed state is also our only state with universal health insurance. Correspondingly, the cultural pluralism of the mainland leaves Lind utterly cold. He sees ethnic enclaves chiefly as impediments to a broader solidarity; the fact that the Germans of Milwaukee,

the Jews of the Lower East Side, and the Salvadorans of downtown Los Angeles have at different times espoused an ethnically specific but militant class politics has not made it onto his radar screen.

Lind's take on affirmative action is equally without nuance. He follows (as do most of the writers discussed here) in the footsteps of William Julius Wilson in noting that affirmative action has done little to nothing for the nonwhite poor while eroding white support for government generally. But Lind conveys no sense of the terribly constricted choices presented to civil rights activists 30 years ago; that in the absence of a universal economic program along Reutherian lines, their choice was between racial preferences or nothing at all. (This is the unforgiving prism through which he views onetime CORE president James Farmer, whom he designates the father of the racial set-aside. But like most civil rights leaders of his generation, Farmer displayed an on-again, off-again seminationism that was all mixed up with a social democratic universalism with which he felt far more comfortable.) Lind shows no sense that affirmative action may be politically problematic while at the same time helping deserving people who otherwise would never have gotten that help. And he conveys no sense that until the advent of universalist policies, some affirmative action may be the only way to significantly integrate particular campuses and corporations. Lind's America may be a place of interracial mating; but in that sure-to-be lengthy interval between the

repeal of racially based admission policies and the advent of effective social integration, it's not going to be a place of much interracial meeting.

Even as Lind is racial liberalism's most avid critic among the progressive revisionists, so is he, among the writers considered here, social democracy's most enthusiastic defender. He supports imposing social tariffs on imports from low-wage nations and nations that deny rights to their workers, legislating an end to the corporate ability to hire temps, decoupling benefits from jobs and assigning them to the state. He criticizes Labor Secretary Robert Reich for the emphasis Reich placed on training; in the global hiring hall, Lind notes, it's now possible to underpay highly skilled as well as less-skilled workers.

Since Lind wrote *The Next American Nation*, however, Reich has evinced a new appreciation for the role of unions in maintaining or raising the levels of wages and skills. Lind offers no such assessment; indeed, his book conveys almost no sense whatever of how to get from the here and now to anything even approximating his vision. Briefly, he suggests two Archimedean points on which to change the nation: Congress and the military. But the military has been a color-blind meritocracy for a number of years now, during which time, as he sees it, the civilian society has been moving only farther away from both those ideals. And Congress (and particularly the House, in which Lind invests greater hopes) is hardly a movement for social change. It is a reflection, for bet-

ter or worse, of what's going on in the broader society.

Indeed, a silence stalks the books of advocacy here—Lind's and Greenberg's in particular—as it stalks American liberalism generally. The progressive revisionists have a strategy that's sound—a deracialized, more class-based liberalism. They do not have a theory of agency: Who builds this class-based liberalism? There is a missing link in this scenario—some institution that could promote greater racial solidarity among American workers and jump-start their incomes, that could challenge the power of business in Congress, that could help put the party back in the party. For the sake of argument, let's call these institutions unions.

In fairness, this is an understandable omission. Unions have been in decline for decades; many have been complicit in their own demise. All of these books (except Dionne's) appeared before the revolution at the AFL-CIO (and Dionne does indeed acknowledge the change and its potential for reshaping the landscape). And what has changed at the AFL-CIO is only the subjective side of the union equation: The movement is now led by people with a passion and the smarts to endeavor to save it. But the objective side of the equation, the weakness of unions in the new world economy, remains unaltered.

Still, the inadequacy of unions past to the challenges of the last 30 years, and the uncertain prospects of unions present in facing the challenges of global

capital, do not gainsay the fact that unions are the indispensable agents of the neoprogressives' strategic vision. The story of white working-class estrangement from the Democrats coincides and overlaps with—and in many ways is the same story as—the decline of unions. And for all their imperfections, unions consistently remain the only way to alter white working-class voting. Amid the wreckage of the '94 elections, white male unionists still voted 18 percent more Democratic than their white male nonunion counterparts. But unionists comprised a mere 14 percent of the electorate—down from 25 percent just a decade earlier. At that level of unionization, the progressive resurgence will be a long time coming.

Dionne argues that we are in a period like the end of the nineteenth century, when the coming of a new industrial order called a progressive response into being. But while the Progressives indeed arose during this period, they didn't truly prevail until some time later. The national corporation and the economy it created appeared on a large scale in the 1890s, and it was not until the 1930s that Progressives were able to create around it the national state and national unions that brought with them a more humane industrial order. The multinational corporation appeared on a large scale in the 1970s; the creation of the multinational mixed economy, for which the rebirth of a vibrant American union movement is an absolute prerequisite, is anything but imminent. But the strategies to which these books point put us firmly on that path. □

JEROME H. SKOLNICK

# Passions of Crime

**T**he self-reinforcing effects of a criminal career are a staple of criminological lore. Felons commit crimes, which plunge them deeper into criminal networks; they go to prison, where their ties with other criminals are reinforced; they bear the stigma of ex-convict, which limits their legitimate opportunities.

America today, however, has a new vicious circle—not of crime behavior but of crime politics and policy. The symbolic politics of crime demand stiffer penalties, which lead to increased spending, which enriches the enforcement and penal bureaucracies. These groups, in turn, contribute to the campaigns of politicians who play upon fears of crime and build public support for a growing enforcement-corrections complex.

So, crime policy, not just crime itself, has become a study in the interplay of passion and self-interest. As three recent books by David C. Anderson, Wendy Kaminer, and Diana R. Gordon illustrate and argue, America's crime policies today are being driven less by considerations of evidence and logic than by symbolism, culture, and political advantage.

The story of Willie Horton, as

## WORKS DISCUSSED IN THIS ESSAY

David C. Anderson, *Crime and the Politics of Hysteria: How the Willie Horton Story Changed American Justice* (Times Books, 1995).

Diana R. Gordon, *The Return of the Dangerous Classes: Drug Prohibition and Policy Politics* (W.W. Norton, 1994).

Wendy Kaminer, *It's All the Rage: Crime and Culture* (Addison-Wesley, 1995).

David Anderson tells it in his lucid and powerful book *Crime and the Politics of Hysteria*, exemplifies the triumph of symbolism over a certain kind of rationality—in Anderson's words, the "triumph of expressiveness" over beliefs in "rational crime control and rehabilitation." The case also spotlights the dilemma of a policy that is rational at a societal level, but indefensible at an individual level—indefensible, at least, to someone who ends up on the cost side of the economic equation.

Willie Horton was sentenced to life in prison for participating in a robbery that resulted in the murder of a teenager, Joey Fournier, who worked as a gas station attendant. After 10 years, Horton was released for the first of three successful furloughs, which Massachusetts law authorized for such purposes as visiting a critically ill relative, attending a funeral, or receiving specialized medical treatment or

social services.

Furloughs—sometimes called home leaves or temporary community release—were part of a policy of "risk management," aimed at reintegrating convicted felons into communities to which they would eventually return. By 1975, *Corrections* magazine reported that more than half the prison systems in the United States used furloughs, which totalled more than 250,000 per year. Instead of sending felons out directly from prison to freedom, furloughs were supposed to acclimate them to civilian life, prepare them to adjust after their permanent release, and thereby act as a deterrent to future criminality. Prison administrators also saw the policy as a management tool especially for long-term inmates, who, it was thought, would be motivated to behave in and out of prison in order to continue getting a periodic taste of freedom.

Economic analysis, usually thought to be conservative, supported furloughs: Their benefits, according to corrections experts, outweighed the costs. And, indeed, research published in 1991 on the furloughs of the 1970s and 1980s confirmed that they sharply reduced recidivism, producing a net prevention of crime.

Furlough programs, like parole policies, present an obvi-

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ous dilemma. The best predictor of future behavior is past behavior; most of those who are imprisoned, especially for violent crimes, have a history of criminality. Offenders are less likely to commit crimes, however, as they age; thus, the risks of release should diminish after felons have spent longer periods in prison. Massachusetts prison administrators understood, of course, that convicted criminals, whether on furlough or parole, might commit crimes or try to escape. To minimize that risk, they took certain precautions before furloughing prisoners, requiring them to be monitored by assigned sponsors. From 1981 to 1986, after lifers were required to serve 10 years before applying for furloughs, only 3 out of 2,434 escaped, for a rate of .012 percent.

Still, it is one thing to have a rational policy, another to carry it out without any mistakes. Horton was released because prison officials seemed almost too eager to furlough him the fourth time—and indeed, in his case, the process fouled up. When Horton's first sponsor complained about being unable to control him, authorities released Horton to a second sponsor, a relative who had no positive influence over him. Horton sim-

ply escaped, eventually landing in Maryland, where he managed to remain free for nearly a year until he decided to burglarize the house of Angela Miller and Clifford Barnes.

Anderson's book opens with a chilling account of the crimes of assault, torture, and rape that Horton committed against this innocent young couple. Had

they were treated with bureaucratic indifference when they asked prison authorities for information about Horton.

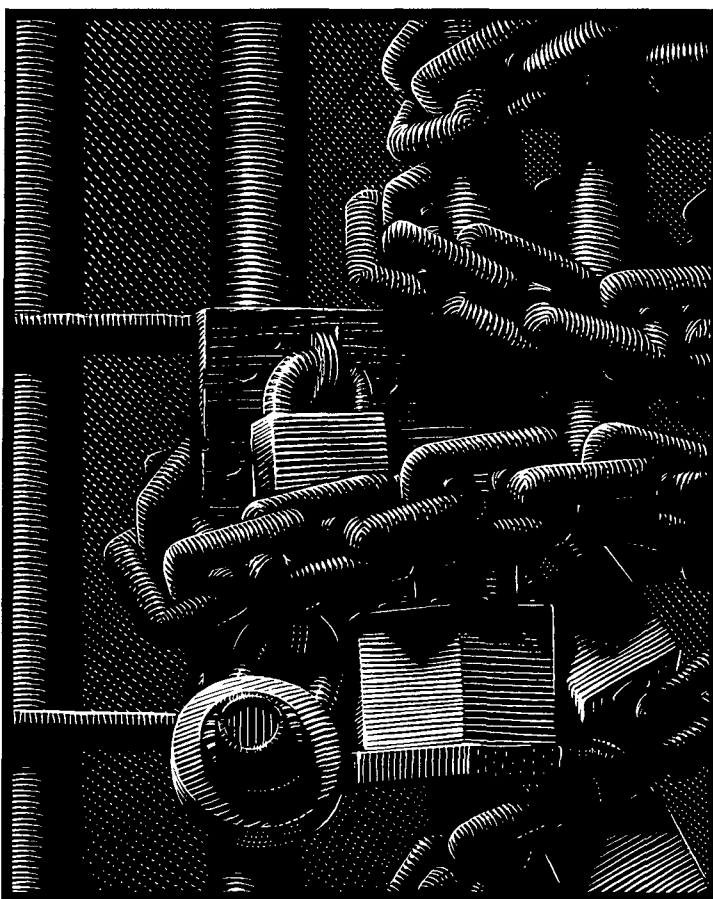
As Angela and Clifford related their story to newspapers and on talk shows, Republican strategists realized how valuable Willie Horton could be to a faltering Bush campaign in the 1988 election. Anderson tells how the infamous campaign

commercial featuring Willie Horton was developed through focus groups organized by Republican strategists, especially Lee Atwater and Roger Ailes.

Willie Horton's crimes touched a nerve that no cost-benefit analysis could overcome. For example, on one radio program featuring Cliff and Angela Barnes, a young woman who had acted as a furlough sponsor for a prison inmate tried to justify the furloughs, arguing that it didn't make sense to get rid of a largely successful program because of

one bad person. "It's very unfortunate," the sponsor said, "that I find myself arguing against your pain, which I really feel for. . . . We all wish that what happened with William Horton had been prevented."

Clifford Barnes was adamant: "How do you use statistics and ratios when you're dealing with



Clifford Barnes not managed to escape and call for help while Horton was raping Angela, Willie Horton would almost surely have murdered them. Anderson tells a complicated and ironical story of how Angela and Clifford, who married after the crime, made the public aware of Willie Horton, largely because



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human lives? You're not talking about how much your CDs yield. If he had killed, would that have been proof enough?"

The sponsor persisted in defending the furlough program (though not the release of Horton)—as I would have, along with most corrections officials and criminologists—maintaining that without furloughs, more people would die, because the recidivism rate is much higher in places that do not have furlough programs. The studio audience, Anderson reports, "gasped in disbelief." And so did the focus groups. The Willie Horton commercial exploited the deepest fears and, since Horton was an African American, the deepest prejudices, of enough voters to turn around the poll numbers and the election.

**U**nlike Anderson, who tells a compelling story, Wendy Kaminer, a former public defender and accomplished advocate and writer, has written an analytical book, grounded in issues of agency and accountability that undergird the criminal law. But unlike ordinary lawyerly writing on such topics, Kaminer writes with a lively, contemporary voice that makes reading her book sheer pleasure.

Kaminer argues that recent trends in American criminal justice are neither rational nor consistent. Fear of crime, she says, has supplanted fear of communism, although the latter was a more abstract apprehension. Fear of crime is not necessarily irrational, but the political and policy responses to it, she argues, are emblematic of toughness,

more symbolic than real in controlling crime, which has no facile solution. "Any progress we make," she writes, "will be discrete and incremental; only the symbols have sweep."

Kaminer is a staunch defender of constitutional criminal procedure and a skeptic when considering what have come to be called victim's rights. "Victims have moral claims to be treated fairly," she writes, "but they don't have rights, exactly, because they're not being prosecuted: the state isn't threatening their liberty." She understands that this distinction may seem academic to victims and those who identify with them, living in fear because of visions of victimization. "But," she argues, "a trial is supposed to be a principled process, governed by a set of rules devised to implement a set of ideas about justice and the relationship between individuals and the state." She then goes on to present a lucidly written theory of the American adversary system based on due process.

Yet, well grounded and presented as her argument is, I found myself uncomfortable with it. For me, it showed too much of the theory and too little of the shortcomings of the adversary system. How many Americans, watching the trial of O.J. Simpson, can believe that the criminal justice process is all that principled? Watchers, mostly white, who shared the anguish of the Brown and Goldman families and believed Simpson to be guilty, felt that a murderer had escaped justice. To them, clever and well-paid defense attorneys and jury consultants knew how to play to the feelings of jurors

who ignored logic and evidence. Other viewers, mostly African American, believed that the prosecution had indeed rushed to judgment and used a brutal and lying police department to frame an innocent man. Few, if any, Americans watching the trial came away believing that the American criminal trial process was principled.

The Simpson trial was, of course, scarcely representative of American criminal trials. But neither are trials representative of American criminal justice. Most criminal cases do not go to trial. They are settled behind the scenes through plea bargaining, which may vary considerably depending upon the predilections of local prosecutors. Kaminer does not focus on the guilty plea, although many criminal justice scholars regard it as among the most important features of the system. It doesn't have the symbolic bite of capital punishment, and even the critics of crime policy are not immune to the allure of symbolism.

Of all the issues in criminal justice, capital punishment most clearly symbolizes the moral standards of a community, but it is simply not that significant in the everyday business of criminal justice. Whether capital punishment deters murderers has been the subject of much debate, but it must be the rare killer who costs out the marginal difference in pain between the penalty of death and that of life imprisonment without possibility of parole. Of course, most murderers don't think they will be caught, so the death penalty is unlikely to deter them. Moreover, if Willie Horton had

been "rational" in the economists' sense, he would have murdered the Barneses, since dead victims, like Nicole Brown Simpson and Ronald Goldman, cannot identify their murderers. Nonetheless, whatever the true effect of the death penalty, it persists as a major symbolic issue: The very survival of some horrendous murderers is interpreted as a failure of justice.

**T**he simplest arguments for and against the death penalty are grounded in morality. Death penalty proponents say that murderers deserve to die; opponents say it is morally wrong for the state to kill. Kaminer opposes capital punishment (as I do) on the grounds enunciated by Justice Harry Blackmun, who wrote that the death penalty is a failure because it "remains fraught with arbitrariness, discrimination, caprice and mistake." Capital punishment fails as a system. Many prisoners on death row are poorly represented at trial and say they are innocent. Most are lying, but we can't tell the liars from the truth-tellers until years later. And the true killers who are selected to die are no worse than thousands of others who remain on death row. As Kaminer argues, there is no prospect of a fair system of capital punishment.

On the whole, Kaminer's voice, although clearly liberal, is of moderation and consensus, a nuanced vision of crime control. She says that the eradication of neither social inequality nor law enforcement will effectively control crime. No sensible person can believe that crime problems

will be solved "either by burning down prisons or by dismantling social programs, although we could alleviate the problem by improving both the prisons and the programs."

Much of what is going on today she dismisses as "virtue talk," of which we seem to have developed an overabundance, especially on the best-seller lists. Virtue talk is the notion that crime is primarily attributable to bad character rather than social or economic underpinnings. Obviously, those who murder, rob, rape, and steal have bad character, so the question becomes how to build character. Liberals tend to identify structural underpinnings, like work and opportunity. Conservatives focus on the family and religion. Kaminer sensibly sees the need for both, but most of all disputes the basis of public fears and the policies thought likely to solve the underlying problems.

Liberal and conservative criminologists do not differ all that much about the causes of street crime. Conservatives tend to focus on individual social pathologies such as single-parent families, drugs, and defects of character and genes. Liberals stress structural, systemic features such as economic and social inequality. Conservatives stress incapacitation as a preventive, but liberals also understand that seriously dangerous and threatening criminals need to be

locked away for long periods, even for life without possibility of release. Liberals tend to view crime from a longer lens, worrying about the next generation of criminals, but so do some conservatives, such as James Q. Wilson and John DiIulio, who are keenly aware of the demographics of crime.

On the whole, there is a major gap between what we know

about crime causation and the policies we employ to control crime. Yet sensible people from various political persuasions know that we cannot ignore either prevention or punishment. And, as Kaminer argues, unless we're transformed into a police state, law enforcement alone

cannot do the job. Like Anderson and Gordon, Kaminer understands that emotional and self-interested responses to the problem of crime hinder rational consideration of evidence and alternative policies.

America  
today has a new  
vicious circle—  
not of crime  
behavior but of  
crime politics  
and policy.

**D**iana R. Gordon's *The Return of the Dangerous Classes: Drug Prohibition and Policy Politics* echoes key themes of Kaminer's book but applies them with a vision grounded in sociology and political science rather than law and psychology. Gordon, who teaches political science and criminology at the City College of New York, explores the politics of symbolism well known to political and social scientists

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through the work of Murray Edelman, and especially as applied to crime, through the work of Stuart Scheingold. Like Scheingold, she argues that "the messy and complex politics of street crime can be understood only in the context of broader cultural values and social conditions of American life—our punitive morality, our reliance on individualistic answers to social questions, the inequalities of race and class that we tolerate." Her book applies that perspective to the politics of drug prohibition. Since about 25 percent of state prisoners and 60 percent of federal prisoners are charged with drug crimes—indeed, in California 25 percent are charged with possession or use of drugs alone, not sale—drug prohibition policies and practices should be a principal focus for anyone who wants to make a difference in improving crime policy.

Violent crime, although controversial, is relatively straightforward. Liberals and conservatives may disagree about "risk management," but we don't have different feelings about violence. In one sense, Willie Horton's was an easy case. He was convicted of murder, escaped, and brutally assaulted an innocent couple. In my view, Horton clearly qualifies for a "lock 'em up and throw away the key" response.

But we cannot throw away the key to the cell of every prisoner. We have no choice but to weigh benefits and costs in formulating any rational crime policy. California's broadly drawn Three Strikes Law fails to distinguish between dangerously assaultive crime and such minor felonies as

the theft of a bicycle and, as a result, will eventually require either raising taxes or cutting the budgets for higher education, environmental cleanup, or other programs Californians hold dear. The inmate boom is affecting prisons and jails all over the country. The number of inmates in local jails, for example, has risen from 223,500 in 1983 to 490,000 in 1995. These jails once housed low-level offenders until they made bail, were tried, or served short sentences. Now they house hardened criminals because state and federal prisons are overcrowded.

Some state officials facing a surge in new inmates are beginning to consider alternatives. Wisconsin Governor Tommy G. Thompson, who cut spending and taxes and overhauled welfare, has said he will build no new prisons. In New York, where prison building proceeds apace, Governor George E. Pataki has proposed that the state's most violent and disruptive inmates be housed two to a cell as part of an expansion plan to build three new maximum security prisons by the year 2000—this despite protests by the same prison guard union that supports the construction of the new prisons. But to his credit, Pataki favors release of low-level drug offenders.

By force of necessity, policymakers are beginning to distinguish more carefully among murderers, robbers and rapists, and nonviolent offenders. Of all the policies for dealing with criminal offenders, the most controversial and puzzling are those imposed for drug use and sale. At bottom, the criminal law is a punishment system based on shared moral

sentiments. Most of us would agree—intuitively—that those who commit intentional homicide should receive the most severe punishment possible, although we might disagree about whether that punishment should be death. Somewhat lesser, but still severe punishments should be given to robbers and rapists. But there are no such shared intuitions about how much punishment, if any, is appropriate for smoking marijuana. Similarly, what should the punishment be for selling 50 grams of crack cocaine? It is surely not the ten years mandated by federal sentencing guidelines. It is to such offenders and the sometimes bizarre policies governing them that Diana Gordon turns her informed attention.

Gordon says that her book is not a critique of drug prohibition so much as an examination of the forces that sustain the policy. But, of course, the two cannot be separated, since the sustaining forces are what accounts for the policy. The book begins with "snapshots" of American drug prohibition at work. Michigan, for example, now imposes a non-parolable life sentence for possession or distribution of more than 650 grams—about a pound and a half—of a mixture containing hard drugs. Seattle prohibits "drug traffic loitering" and provides that the requisite intent can be found if the suspect is witnessed "repeatedly beckoning to, stopping or repeatedly stopping pedestrians."

Based on these observations, Gordon argues that although the public is surely concerned about drugs, it doesn't necessarily sup-

port prohibitionist policies. And when it does, she argues, the concern isn't really about drugs—alcohol and cigarettes are dangerous too—but about the “dangerous classes,” a term employed by Charles Loring Brace in a book published in 1872 to describe immigrants and the lower classes in the mid-nineteenth century. “The sins of the latest dangerous classes as they are exemplified in the ‘drug problem,’” she writes, “go beyond the immorality of promoting or participating in habits of self-destruction and harm to others. They are also challenges to the value of hard work and initiative or, in the case of dealers, perverters of the dream of free enterprise.” That’s true, but these perverters can also be violent and dangerous. As I write, this morning’s newspapers in New York report a nine-year-old boy seriously injured in a shoot-out between drug dealers on the Upper West Side.

Underground economies invite violence. Illegal drug dealers cannot rely on legal remedies for breach of contract or sale of adulterated goods. Arrests of dealers destabilize markets and retail outlets. Consequently, drug dealers in possession of easily available automatic weapons shoot to enforce perceived breaches of contract, to maintain fear and respect, and, ultimately, to control market share and retail space. If drugs were legal, shoot-outs would be a thing of the past. Paradoxically, the violence stemming from illegality has, in a sense, stigmatized drugs in the public mind and justified the most severe penalties.

Harsh drug penalties for sell-

ing crack cocaine fall disproportionately on minorities. The Anti-Drug Abuse Act of 1986 mandates that anyone convicted of selling 50 grams or more of crack cocaine—or possessing that amount with the intent to sell—must receive no less than ten years in prison. But those who sell the same amount of powder cocaine are subject to no minimum sentence. Powder cocaine dealers need to be convicted of selling 100 times the amount of crack to trigger the same penalty. The nation’s policy jams federal prisons with small-time vendors and addicts, offers big-time powder cocaine merchants a break, and—since crack is marketed more heavily in minority communities—produces exceptional racial disparity. Local law enforcement officials have also been diverting low-level black dealers into federal courts to impose longer mandatory sentences under federal sentencing guidelines. Of the 60 percent of federal prisoners incarcerated for drug offenses, the sentences for blacks and whites differ substantially—102 months for blacks versus 74 months for whites, a 37 percent spread.

**A**fter extensive study, the U.S. Sentencing Commission published a report in February 1995, strongly criticizing the congressional approach to sentencing cocaine offenders. The report highlights the anomaly in the 100-to-1 ratio: Retail crack dealers are given longer sentences than the wholesale distributors who supply them with the powder cocaine to produce their crack. Recognizing that crack

and powder cocaine are pharmacologically the same, the report advises that the 100-to-1 ratio cannot withstand scientific scrutiny and concludes that it has had a disparate, prejudicial impact on African Americans.

Despite the report, the U.S. Justice Department urged Congress to maintain these disparate sentencing practices. Attorney General Janet Reno defended the sentencing disparity, saying that equalizing penalties for selling equal amounts of crack and powder cocaine would “fail to reflect the harsh and terrible impact of crack on communities across America.” Nobody denies that crack has had a terrible impact. Nevertheless, Attorney General Reno’s remarks reflect what Diana Gordon calls a “shadow agenda” behind America’s drug policies. The Clinton administration has to appear “tough on drugs” no matter how overblown and discriminatory the policies might be.

To her credit, Gordon’s concluding chapters on drug prohibition are sensitive to the difficulties of formulating a rational drug policy. She presents an informed discussion of European “harm reduction” practices but acknowledges that there are no simple solutions. She offers a thoughtful critique of drug legalization as an antidote to crime, pointing out, for example, that illegal drugs offer economic opportunities that would be cut off with legalization—and so rates of robbery and theft might actually increase if drugs were legalized. Instead, Gordon urges a more modest approach, suggesting that we adopt Canada’s sensible reversal of our bud-



getary priorities—70 percent for prevention and treatment, 30 percent for law enforcement and interdiction.

**W**hat are we to make of the themes generated by these books? All of the authors are informative, intelligent, measured in their approaches—and pessimistic. Politicians who live in the age of the sound bite will do everything they can to not appear soft on crime. Other hot-button symbolic issues, such as abortion, welfare, and medical care, generate competing political constituencies, but there is no such thing as a criminals' lobby (though we could think of a few lobbies that are criminal). When politicians can play on fear, they produce needlessly protracted and mandated sentences, especially for nonviolent criminals. Contrary to the popular mythology, judges—most of whom are former prose-

cutors—are not soft on crime, and most of them deplore the rigidity of mandated minimum sentences. On the one hand, we have the realities and complexities of crime control; on the other, we have the symbolic politics of public safety and the simplistic and expensive policies that come with it. The authors of these books show the disconnect between the two.

Maybe the public will eventually awaken to the impact on their tax bills of current policies, especially drug enforcement. But I'm not optimistic, only in part because of the symbolic bite of crime and drugs as an issue. As I suggested at the outset, there is also big money in raising criminal penalties. Law enforcement and corrections officials have become increasingly numerous and well supported. In turn, they support hefty budgetary allocations to back up three-strikes laws. Law enforcement lobbies, like those of defense

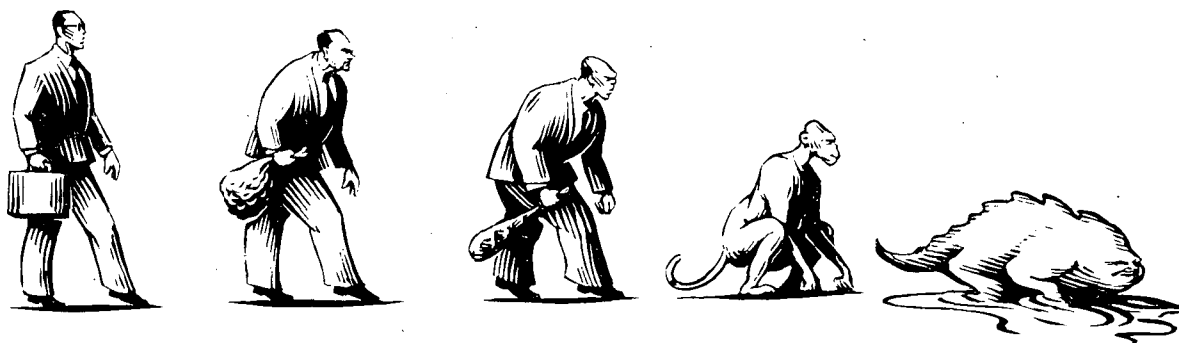
contractors, have become among the most influential and generous sources of campaign contributions for governors and legislators—especially, but not only, Republicans.

The emerging trends in crime will give the enforcement-corrections complex much material to work with. Although crime rates in cities ranging from New York to Houston to San Francisco have dropped significantly, there has been no decline in youth violence. Between 1985 and 1992, the homicide rate for young white males (aged 14 to 17) rose by 50 percent, while it tripled for blacks. Demographers estimate that by 2005, we will see 23 percent more 14- to 17-year-old males killed, with increases of 28 percent for blacks and 50 percent for Latinos. As the income distribution becomes increasingly unequal, we can be confident that we will have the criminals to fill the vast expansion of prisons and jails. It's a growth industry. □

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## GAMBLING ON THE PRESIDENCY

The College of Business Administration at the University of Iowa runs the Iowa Electronic Market, a futures market on this year's presidential election. Anyone can buy a contract on President Clinton, the yet-to-be-designated Republican candidate, or someone else. It's a winner-take-all market: Contracts on the winner pay off at \$1 on November 6, while others expire worthless. On the day of the New Hampshire primary, Clinton's contracts, which had risen in recent weeks, were bid at 51.1 cents, while those of the Republican stood at 39.3. Political insiders watch these Iowa numbers closely: In the two last presidential elections, the Iowa futures market accurately predicted the results at the ballot box.

Gambling used to be considered deeply reprehensible, especially by conservatives. Gambling casinos were shunned by respectable people and politicians (who we do not mean to imply were distinct from one

another). No more. As the *New York Times* reported in December, gambling interests have emerged as either the biggest or nearly biggest legislative lobbies in such states as Illinois and Louisiana. The president of the American Gaming Association, Frank J. Fahrenkopf, Jr., is a former chairman of the Republican National Committee. The day after denouncing the values of Hollywood last summer, Senator Dole went to a Las Vegas country club for a big fundraiser organized by Steve Wynn, one of the leading figures in the gambling industry.

The new respectability of gambling suggests that we might be able to take the Iowa futures market one step further. While no one has yet noticed it, here is a solution to the problem of campaign finance. Instead of just asking Americans to contribute to political campaigns, we can also invite

them to gamble on one. Steve Forbes has already shown the way by gambling millions on his own campaign. In fact, besides adding an item for presidential gambling to the 1040 and requiring motor-voter betting, we could combine the actual election with one last gamble, taking advantage of the resemblance of a voting machine to a slot machine. The "house" could easily skim off enough to cover the costs of campaigns.

To be sure, some conservatives may object to this proposal—on the grounds that, once again, government would be

undertaking an activity that properly belongs to private enterprise. This objection may be overcome by contracting out elections to the casino industry.

Donald Trump might even suggest that we use gambling results in place of balloting, but the smart money is against it.

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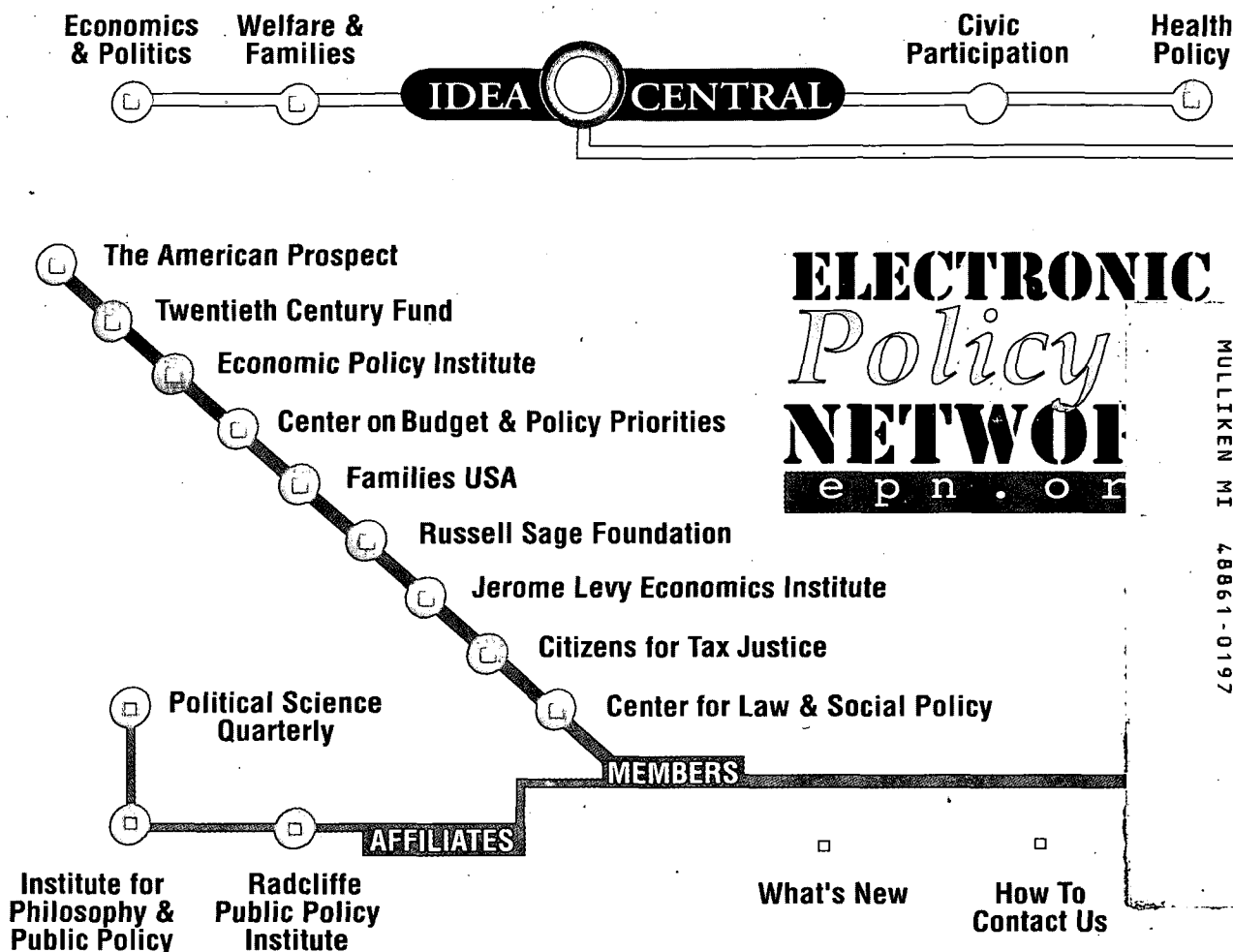
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